

## Government's Exhibits:

	Original	Print
No. 106—Letter dated November 10, 1921, from Irene du Pont to Finance Committee transmitting "a short history of the Fabrikoid industry"	778	3062
No. 107—Letter dated May 27, 1916, from R.R.M. Carpenter (du Pont) to Executive Committee transmitting "a report on the Fairfield Rubber Company"	797	3079
No. 108—Progress report dated April 17, 1914, from Development Department (du Pont) to Irene du Pont	819	3101
No. 109—Communication dated September 12, 1915, from Development Department (du Pont) to Executive Committee	837	3119
No. 110—Communication dated September 12, 1915, from Development Department (du Pont) to Executive Committee re "The Purchase of the Arlington Company"	838	3120
No. 111—Communication dated August 11, 1916, from Development Department (du Pont) to Executive Committee re "The Manufacture of Paints and Varnishes at Parlin"	862	3144
No. 112—Communication dated November 28, 1916, from "Vice President" (du Pont) to Executive Committee re "Purchase of Harrison Bros. & Co., Inc."	872	3154
No. 113—Communication dated November 22, 1916, from Development (du Pont) to Executive Committee re "Harrison Bros. & Co., Inc."	874	3156
No. 114—"Net Purchases of Common Stock of General Motors Company, Chevrolet Motor Company and General Motors Corporation, 1914-1917" by Pierre S. du Pont	906	3188
No. 115—"Net Purchases of Common Stock of General Motors Company and Chevrolet Motor Company, 1914-1917" by Irene du Pont	907	3189
No. 116—Unsigned letter dated September 17, 1915, to J. A. Haskell	908	3190
No. 117—Communication dated December 2, 1915, from M. K. Doherty to Pierre S. du Pont transmitting list of Directors, Committee Members, and Officers of General Motors Company	910	3192
No. 118—Letter dated December 12, 1916, from W. C. Durant (Chevrolet Motor Company) to John J. Raskob	912	3194
No. 119—Unsigned letter dated May 9, 1916, to Lamot Belin	916	3198
No. 120—Unsigned letter dated April 10, 1916, to W. C. Durant (Chevrolet Motor Co.)	918	3200



## Government's Exhibits:

	Original	Print
No. 121—Letter dated April 12, 1916, from W. C. Durant to J. J. Raskob	920	3202
No. 122—Unsigned letter dated May 9, 1916, to W. C. Durant	921	3203
No. 123—Communication dated September 5, 1917 from T. S. Merrill (GMC) to Pierre S. du Pont transmitting list of Directors and Officers of General Motors Corporation	923	3205
No. 124—Communication dated December 19, 1917, from "Treasurer" to "Finance Committee" re General Motors—Chevrolet Motor Stock Investment	926	3208
No. 125—Excerpt from "Annual Report of the du Pont Company for the Year 1918"	946	3228
No. 126—Copy of minutes of Joint Meeting of Executive Committee #178 and Finance Committee #85, E. I. du Pont de Nemours & Company, December 20, 1917	947	3229
No. 128—Communication dated March 8, 1918 from Treasurer (du Pont) to Finance Committee	952	3234
No. 129—Letter dated January 23, 1918, from Mr. Raskob to W. C. Durant	962	3244
No. 130—Excerpts from meeting of Board of Directors of General Motors Corporation of February 21, 1918	965	3247
No. 131—Excerpts from meeting of Board of Directors of General Motors Corporation of March 21, 1918	970	3252
No. 132—Excerpts from meeting of Finance Committee of General Motors Corporation on June 27, 1918	972	3254
No. 133—Unsigned letter dated June 29, 1918, to H. M. Barksdale	975	3257
No. 134—Memorandum dated December 12, 1918, to Finance Committee from "Chairman"	981	3263
No. 135—Memorandum from J. J. Raskob (du Pont) to Finance Committee dated December 14, 1918	984	3266
No. 137—Report of General Motors Corporation for the Fiscal Year Ended December 31, 1918	990	3272
No. 138—Extracts from Minutes of Meeting of Finance Committee (GMC) on September 25, 1919	1006	3288
No. 139—Report of General Motors Corporation for the Fiscal Year Ended December 31, 1919	1009	3291
No. 140—Memorandum dated March 19, 1920 from J. J. Raskob to Finance Committee, du Pont Company	1026	3308
No. 441—Minutes of Meeting of the Board of Directors of du Pont American Industries, Inc., May 26, 1920	1029	3311

## Government's Exhibits:

	Original	Print
No. 142—Extracts from meeting of the Finance Committee (GMC) June 2, 1920	1035	3317
No. 143—Letter dated May 21, 1920, from Irene du Pont to John J. Raskob	1042	3324
No. 144—Unsigned communication dated July 16, 1920 to Edward R. Stettinius	1044	3326
No. 145—Letter dated July 20, 1920, from Edw. R. Stettinius to Pierre S. du Pont	1045	3327
No. 153—Letter from du Pont American Industries, Inc. (Pierre S. du Pont, President) and Chevrolet Motor Co. (John J. Raskob, Vice President) dated November 22, 1920 to du Pont Securities Company	1046	3328
No. 154—Agreement dated November 22, 1920, between du Pont Securities Company, W. C. Durant, du Pont American Industries, Inc. and Chevrolet Motor Company	1047	3329
No. 155—Minutes of meeting of Board of Directors of du Pont Securities Company, November 22, 1920	1055	3337
No. 156—Communication dated January 18, 1921 from M. D. Fisher (du Pont) to J. J. Raskob	1064	3346
No. 157—Agreement dated December 31, 1920, between du Pont American Industries, Inc., du Pont Securities Company, and W. C. Durant	1066	3348
No. 158—Resolution adopted by Board of Directors of du Pont American Industries, Inc., May 31, 1921	1071	3353
No. 161—Communication dated April 2, 1921, from J. J. Raskob to Finance Committee (du Pont)	1074	3356
No. 162—Letter dated April 8, 1921, from Irene du Pont to John J. Raskob	1082	3364
No. 163—Communication dated April 9, 1921, from J. J. Raskob to Finance Committee (du Pont)	1084	3366
No. 166—History of the du Pont Company's Investment in the General Motors Corporation dated August 17, 1921	1093	3375
No. 167—Communication dated January 30, 1922, from J. J. Raskob to Finance Committee	1111	3394
No. 168—Communication dated February 6, 1922, from W. Carpenter, Jr. (du Pont) to Finance Committee	1112	3395
No. 177—Members of Board of Directors and Principal Executive Offices Held and Officers, Who Were Not Directors, 1917-1948 (General Motors Corporation)	1114	3397
No. 178—Communication dated December 29, 1920, from Pierre S. du Pont (GMC) to Officers, Directors and Heads of Department	1115	3398

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	Original	Print
No. 179—Communication dated November 22, 1920, from Secretary, Finance Committee (du Pont) to P. S. du Pont	1121	3404
No. 180—Communication dated December 21, 1920, from Irene du Pont to Finance Committee	1123	3406
No. 181—Letter dated January 8, 1921, from John J. Raskob to Irene du Pont	1125	3408
No. 182—Extract from minutes of Finance Committee (du Pont) April 24, 1923	1129	3412
No. 183—Letter dated April 25, 1923, from Pierre S. du Pont to the Directors of General Motors Corporation	1131	3414
No. 184—Communication dated May 8, 1923, from Irene du Pont to Board of Directors (du Pont)	1133	3416
No. 185—Letter dated May 15, 1923, from J. J. Raskob to Pierre S. du Pont	1135	3418
No. 186—Communication dated May 22, 1923, from M. D. Fisher (du Pont) to Irene du Pont	1138	3421
No. 187—Positions Held in General Motors Corporation, 1918 to date, by Alfred P. Sloan, Jr.	1139	3422
No. 188—Letter dated December 24, 1928, initialed LduP to Alfred P. Sloan	1140	3423
No. 189—Communication dated February 13, 1929, from Irene du Pont to Lamot du Pont	1142	3425
No. 190—Communication dated April 22, 1930, from Chairman of the Board to A. P. Sloan, Jr.	1143	3426
No. 194—Communication dated April 6, 1937, from Chairman of the Board to A. P. Sloan, Jr.	1145	3428
No. 195—Communication dated April 6, 1937, from Chairman of the Board to F. D. Brown (GMC)	1151	3434
No. 196—Letter dated April 23, 1937, from President to W. S. Carpenter, Jr.	1152	3435
No. 197—Telegram dated May 3, 1937, from "Carpenter" to "PresduPont"	1157	3440
No. 198—Letter dated September 12, 1940, from "President" to Alfred P. Sloan, Jr.	1158	3441
No. 199—Letter dated January 8, 1941, from Donaldson Brown (GMC) to W. S. Carpenter, Jr.	1160	3443
No. 200—Letter dated January 9, 1941, from "President" to Donaldson Brown (GMC)	1164	3447
No. 201—Letter dated April 8, 1942, from W. S. Carpenter, Jr., to Alfred P. Sloan, Jr.	1171	3454
No. 202—Letter dated April 10, 1942, from "Chairman of the Board" to Alfred P. Sloan, Jr.	1175	3458
No. 203—Letter dated April 13, 1942, from Alfred P. Sloan, Jr., to Lamot du Pont	1179	3462
No. 205—Letter dated May 29, 1943, from Alfred P. Sloan, Jr., to Lamot du Pont	1183	3466



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	Original	Print
No. 207—Letter dated September 23, 1943, from Alfred P. Sloan, Jr., to Walter S. Carpenter, Jr.	1185	3468
No. 208—Letter dated February 11, 1944, from Alfred P. Sloan, Jr., to Walter S. Carpenter, Jr.	1187	3470
No. 209—Communication dated May 22, 1944, from "Chairman of the Board" to Alfred P. Sloan, Jr.	1189	3472
No. 210—Communication dated July 12, 1944, from W. S. Carpenter, Jr. to Lamot du Pont	1192	3475
No. 217—Letter dated May 3, 1945, from Alfred P. Sloan, Jr. to Walter S. Carpenter, Jr.	1195	3478
No. 220—Letter dated December 10, 1945, from Alfred P. Sloan, Jr. to Walter S. Carpenter, Jr.	1197	3480
No. 221—Letter dated December 13, 1945, from "Chairman of the Board" to Alfred P. Sloan, Jr.	1199	3482
No. 222—Letter dated February 26, 1946, from W. S. Carpenter to Lamot du Pont	1200	3483
No. 224—Communication dated May 22, 1946; initialed WSC to Donaldson Brown	1202	3485
No. 228—Letter dated September 30, 1947, from Alfred P. Sloan, Jr., to Walter S. Carpenter	1204	3487
No. 231—Communication dated September 16, 1948, from W. S. Carpenter, Jr., to Lamot du Pont	1206	3489
No. 232—Letter dated September 15, 1948, from Alfred P. Sloan, Jr. to Walter S. Carpenter, Jr.	1207	3490
No. 233—Memorandum dated September 17, 1948 from Lamot du Pont to W. S. Carpenter, Jr.	1209	3492
No. 235—Letter dated June 21, 1923, from J. J. Raskob to J. P. Laffey (du Pont)	1211	3494
No. 237—Letter dated July 20, 1923, from Donaldson Brown (GMC) to W. S. Carpenter, Jr.	1224	3507
No. 238—Letter dated July 24, 1923, from "V.P. and Treas." to F. D. Brown (GMC)	1227	3510
No. 239—Communication dated July 26, 1923, from Irene du Pont to Walter S. Carpenter, Jr.	1236	3519
No. 240—Communication dated July 26, 1923, from J. J. Raskob to Finance Committees GMC and du Pont	1237	3520
No. 241—Extracts from Minutes of meeting of Board of Directors (GMC) August 9, 1923	1257	3540
No. 242—Communication dated August 14, 1923, from Irene du Pont to P. S. du Pont	1259	3542
No. 243—Minutes of special meeting of Board of Directors (du Pont) August 30, 1923	1262	3545
No. 244—Communication dated October 15, 1923, from Board of Directors to Finance Committee and communications dated October 10, 1923, from J. J. Raskob to Board of Directors (du Pont)	1266	3549

## Government's Exhibits:

	Original	Print
No. 246—Letter dated October 19, 1923, from J. J. Raskob to Walter S. Carpenter, Jr.	1279	3562
No. 247—Communication dated October 27, 1923, from J. J. Raskob to Board of Directors (du Pont)	1280	3563
No. 248—Minutes of special meeting of Board of Directors (du Pont American Industries, Inc.) November 5, 1923	1282	3565
No. 250—Extracts from minutes of meeting of Board of Directors (GMC) November 8, 1923	1284	3567
No. 252—Minutes of regularly quarterly meeting of Board of Directors (General Motors Securities Company) May 16, 1924	1286	3569
No. 253—Minutes of annual meeting of stockholders of General Motors Securities Company March 17, 1926	1289	3572
No. 254—Minutes of annual meeting of stockholders of General Motors Securities Company March 16, 1932	1291	3574
No. 256—Minutes of annual meeting of stockholders of General Motors Securities Company March 15, 1933	1295	3578
No. 257—Minutes of annual meeting of stockholders of General Motors Securities Company March 21, 1934	1298	3581
No. 258—Interrogatories propounded by plaintiff to General Motors Corporation (Interrogatories 7 and 8)	1301	3584
No. 259—Answer of General Motors Corporation to Interrogatory 7(a) and (b)	1304	3587
No. 260—Answer of General Motors Corporation and Interrogatory 7(a) and (b)	1307	3590
No. 262—Letter dated August 7, 1929 from John J. Raskob to General Motors Securities Company	1314	3597
No. 263—Letter dated August 13, 1929 from Alfred P. Sloan, Jr., to Lammot du Pont	1317	3600
No. 264—Letter dated August 20, 1929, from "Chairman of the Board" to Alfred P. Sloan, Jr.	1319	3602
No. 265—Minutes of Special Meeting of Board of Directors of General Motors Securities Company January 6, 1930	1321	3604
No. 266—Communication dated October 24, 1930, from "President" to W. S. Carpenter, Jr.	1322	3605
No. 267—Communication dated December 12, 1930, from Chairman, Finance Committee, to Finance Committee—du Pont Company, Board of Directors—General Motors Securities Company	1324	3607

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	Original	Print
No. 268—Minutes of Special Meeting of Board of Directors of General Motors Securities Company, December 15, 1930	1347	3630
No. 269—Communication dated January 17, 1931, from "Treasurer" to Board of Directors, General Motors Securities Company	1352	3635
No. 270—Communication dated February 12, 1932, from "Treasurer" to Board of Directors, General Motors Securities Company	1355	3638
No. 273—Communication dated January 4, 1939, from "Treasurer" to Finance Committee	1357	3640
No. 274—Application for Ruling and Closing Agreements re proposed complete liquidation of General Motors Securities Company—Department of Treasury, Bureau of Internal Revenue dated September 28, 1938	1360	3643
No. 276—Bonus and Salary Committee of General Motors, 1941-1948	1396	3679
No. 277—Communication dated April 17, 1918, from R. M. Carpenter to Executive Committee transmitting report of The Flint Varnish & Color Works and the Flint Varnish & Color Works of Canada, Ltd.	1397	3680
No. 278—Communication dated August 14, 1918, from L. du Pont and Wm. Coyne to Executive Committee	1432	3716
No. 279—New England Oil, Paint & Varnish Co., Everett	1434	3718
No. 280—Communication dated March 15, 1920, from Development Department to W. S. Carpenter, Jr.	1437	3721
No. 281—Communication dated March 17, 1920, from Development Department to W. S. Carpenter, Jr.	1448	3732
No. 282—Communication dated March 18, 1920, from W. S. Carpenter, Jr. to Executive Committee	1462	3746
No. 283—Advice of Action of resolution of March 22, 1920 (du Pont)	1466	3750
No. 284—Communication dated April 7, 1920, from W. S. Carpenter, Jr. to Executive Committee	1468	3752
No. 285—Communication dated November 4, 1921, from H. Grubb, General Manager, to Irene du Pont	1471	3755
No. 286—Communication dated November 30, 1921, from Hunter Grubb and A. B. Echols to Board of Directors, Flint Varnish and Color Works	1485	3769
No. 287—Extract from Minutes of the Board of Directors meeting (General Motors Corporation) January 8, 1923	1489	3773



## Government Exhibits:

	Original	Print
No. 288—Extract from Minutes of Finance Committee meeting (du Pont) February 16, 1923	1491	3775
No. 289—Communication dated January 27, 1923, from Development Department to Executive Committee	1492	3776
No. 290—Communication dated April 15, 1918, from "Vice President" to William Coyne	1498	3782
No. 291—Letter dated April 19, 1918, from du Pont Fabrikoid Company to J. A. Haskell (Chevrolet Motor Company)	1500	3784
No. 292—Communication dated April 20, 1918, from "Vice President" to C. Hallock, Silkman (du Pont Fabrikoid Company)	1501	3785
No. 293—Communication dated May 22, 1918, from Wm. Coyne to C. L. Petze	1502	3786
No. 294—Letter dated June 15, 1918, from The Arlington Works (du Pont) to J. A. Haskell (du Pont)	1503	3787
No. 295—Letter dated July 2, 1920, from du Pont Fabrikoid Company to J. A. Haskell (GMC)	1505	3789
No. 296—Letter dated July 11, 1918, from Edw. Verlinden (Olds Motor Works) to J. A. Haskell (GMC)	1506	3790
No. 297—Letter dated July 12, 1918 from du Pont Fabrikoid Company to Chevrolet Motor Company	1507	3791
No. 298—Letter dated July 12, 1918 from Cadillac Motor Car Company to J. A. Haskell (GMC)	1511	3795
No. 299—Letter dated July 13, 1918, from W. L. Day (General Motors Truck Company) to J. A. Haskell (GMC)	1513	3797
No. 300—Letter dated July 15, 1918, from Fred W. Warner (Oakland Motor Car Company) to J. A. Haskell	1514	3798
No. 301—Communication dated July 20, 1918 from J. S. O'Rourke (Oakland Motor Car Company) to "attention of Mr. Warner"	1518	3802
No. 302—Letter dated July 3, 1918, from F. Kniffen (du Pont Fabrikoid Company) to J. A. Haskell	1519	3803
No. 303—Communication dated November 18, 1919, from Chas. L. Petze to Board of Directors du Pont Fabrikoid Company	1521	3805
No. 304—Communication dated December 19, 1919, from Executive Committee (du Pont) to Board of Directors, du Pont Fabrikoid Company	1525	3809
No. 305—Letter dated February 3, 1920, from "Vice President" to M. L. Prensky (GMC)	1526	3810

## Government Exhibits:

	Original	Print
No. 306—Communication dated July 29, 1920, from Chas. L. Petze (du Pont Fabrikoid Company) to John J. Raskob	1527	3811
No. 307—Letter dated August 25, 1920, from "Vice President" to C. L. Petze	1530	3814
No. 308—Letter dated September 15, 1920, from F. W. Pickard (du Pont) to J. A. Haskell (GMC)	1532	3816
No. 309—Letter dated April 28, 1921, from W. S. Carpenter, Jr. to F. Donaldson Brown (GMC)	1534	3818
No. 310—Letter dated April 29, 1921, from "Vice President" to W. S. Carpenter, Jr.	1536	3820
No. 311—Letter dated November 1, 1922, from "General Manager, Accessory Divisions" to F. S. MacGregor (du Pont)	1537	3821
No. 312—Letter dated December 18, 1922, from Hyatt Bearings Division (GMC) to J. L. Pratt (GMC)	1538	3822
No. 313—Communication dated November 16, 1922, from F. A. Weiss to Mr. Forsythe	1539	3823
No. 314—Communication dated December 20, 1922, from "Vice President" to H. J. Forsythe (Hyatt Bearings Division)	1542	3826
No. 315—Letter dated August 27, 1924, from Z. Phelps (du Pont) to John Pratt (GMC)	1543	3827
No. 316—Communication dated September 2, 1924, from "Vice President" to Z. Phelps (du Pont)	1545	3829
No. 317—Communications dated September 2, 1924, from "Vice President" to James Lynah	1546	3830
No. 318—Letter dated September 4, 1924, from James Lynah (GMC) to J. L. Pratt (GMC)	1547	3831
No. 319—Letter dated November 13, 1925, from H. Fletcher Brown (du Pont) to Alfred P. Sloan	1548	3832

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No. 320—Letter dated November 17, 1925, unsigned, to H. Fletcher Brown (du Pont)	1549	3833
No. 321—Communication dated January 11, 1926, from "Vice President" to F. LaMotte, Jr. (du Pont)	1551	3835
No. 322—Communication dated January 22, 1926, from "Vice President" to Mr. J. B. Jackson	1552	3836
No. 323—Letter dated January 28, 1926, from J. B. Jackson to John L. Pratt	1553	3837
No. 324—Letter dated March 23, 1926, from Z. Phelps (du Pont) to John Pratt (GMC)	1554	3838
No. 325—Letter dated April 5, 1926, from "Vice President" to Z. Phelps (du Pont)	1556	3840

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	Original	Print
No. 326—Letter dated August 23, 1926, initialled APSJr to O. E. Hunt (Chevrolet Motor Company)	1558	3842
No. 327—Communication dated September 1, 1926, from O. E. Hunt to A. P. Sloan, Jr.	1560	3844
No. 328—Letter dated October 14, 1926, from Z. Phelps to John Pratt (GMC)	1561	3845
No. 329—Letter dated October 19, 1926, from J. L. Pratt to Z. Phelps (du Pont)	1562	3846
No. 330—Letter dated October 21, 1926, from Z. Phelps (du Pont) to J. L. Pratt (GMC)	1563	3847
No. 331—Letter dated November 13, 1926, from James Lynah (GMC) to J. L. Pratt (GMC)	1566	3850
No. 332—Letter dated November 17, 1926, from Z. Phelps (du Pont) to J. L. Pratt (GMC)	1567	3851
No. 333—Memorandum from Jack Phelps dated November 16, 1926, "Disadvantages of Glycerin for Anti-Freeze"	1569	3853
No. 334 Letter dated November 19, 1926, from Z. Phelps (du Pont) to J. L. Pratt (GMC)	1575	3859
No. 335—Letter dated December 3, 1926, from Z. Phelps (du Pont) to J. L. Pratt (GMC)	1576	3860
No. 336—Communication dated December 8, 1926, from A. P. Sloan, Jr. to J. L. Pratt re Anti-Freeze Solution	1577	3861
No. 337—Communication dated December 20, 1926, initialled APSJr to J. L. Pratt	1579	3862
No. 338—Communication dated January 11, 1926, initialled JLP to James Elms (du Pont)	1580	3863
No. 339—Letter dated January 21, 1926, from E. G. Biechler (Delco Light Company) to J. L. Pratt (GMC)	1581	3864
No. 340—Letter dated January 23, 1926, from "Vice President" to E. G. Biechler (Delco Light)	1582	3865
No. 341—Communication dated January 23, 1926, initialled JLP to James Elms (du Pont)	1584	3867
No. 342—Memorandum dated April 15, 1926, from R. G. Knight to Mr. Curtice	1583	3868
No. 343—Letter dated April 16, 1926, from A. Champion (A. C. Spark Plug Company) to J. L. Pratt (GMC)	1586	3869
No. 344—Memorandum dated April 19, 1926 initialled JLP to J. J. Moosman (du Pont Chemical Co.)	1587	3870
No. 345—Letter dated April 20, 1926, from J. J. Moosman (du Pont Chemical Company) to John L. Pratt (GMC)	1588	3871
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## Government Exhibits:

	Original	Print
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No. 348—Communication dated July 12, 1926, from R. B. Knight to Mr. deGuichard	1591	3874
No. 349—Letter dated July 14, 1926, from A. Champion (A C Spark Plug Company) to J. L. Pratt (GMC)	1593	3876
No. 350—Letter dated May 1, 1926, from Z. Phelps (du Pont) to John L. Pratt (GMC)	1595	3878
No. 351—Communication dated May 4, 1926, from "Vice President" to James Lynah	1596	3879
No. 352—Communication dated May 15, 1926, from James Lynah to J. L. Pratt (GMC) "Black Enamels"	1597	3880
No. 353—Communication dated May 17, 1926, from "Vice President" to Z. Phelps (du Pont)	1598	3881
No. 354—Letter dated July 7, 1926, from Z. Phelps (du Pont) to J. D. Brown (GMC)	1599	3882
No. 355—Letter dated July 8, 1926, from Donaldson Brown (GMC) to Charles T. Fisher (Fisher Body Corporation)	1600	3883
No. 356—Letter dated July 30, 1926, from Chas. T. Fisher (Fisher Body Corp.) to Donaldson Brown (GMC)	1601	3884
No. 357—Letter dated August 2, 1926, from Donaldson Brown to Z. Phelps (du Pont)	1602	3885
No. 358—Letter dated August 4, 1926, from W. F. Harrington (du Pont) to John L. Pratt (GMC)	1603	3886
No. 359—Letter dated August 10, 1926, from J. L. Pratt to W. F. Harrington (du Pont)	1604	3887
No. 360—Letter dated September 23, 1925, from W. F. Harrington (du Pont) to J. L. Pratt (GMC)	1605	3888
No. 361—Letter dated September 29, 1925, from "Vice President" to W. F. Harrington (du Pont)	1606	3889
No. 362—Letter dated October 9, 1925, from Delco-Light Company to W. F. Harrington (du Pont)	1607	3890
No. 363—Letter dated October 28, 1926, from L. du Pont to Alfred P. Sloan	1608	3891
No. 364—Letter dated October 29, 1926, from J. L. Pratt to Lammot du Pont	1609	3893
No. 365—Letter dated November 8, 1926, from Alfred P. Sloan, Jr. to Lammot du Pont	1611	3895
No. 366—Letter dated November 9, 1926, from Lammot du Pont to Alfred Sloan	1613	3897
No. 366A—Communication (date illegible) from W. P. Allen to L. du Pont re "Extract from 'Weekly Report' to H. E. Lackey"	1616	3900
No. 366B—Handwritten notations with respect to production schedules	1620	3904

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No. 368—Communication dated November 15, 1926, from "Vice President" to A. P. Sloan, Jr.	1624	3908
No. 369—Letter dated November 16, 1926, from Alfred P. Sloan, Jr. to Lammot du Pont	1627	3911
No. 371—Letter dated December 7, 1934, from J. L. Pratt to Fred G. Hughes (New Departure Mfg. Co.)	1628	3912
No. 372—Letter dated December 10, 1934, from F. G. Hughes to John L. Pratt (GMC)	1629	3913
No. 373—Letter dated December 14, 1934, from J. L. Pratt to Robert McClellan (National Ammonia Company)	1631	3915
No. 374—Letter dated December 14, 1934, from J. L. Pratt to F. G. Hughes (New Departure Division)	1632	3916
No. 377—Letter dated October 19, 1922, from P. S. du Pont to Irene du Pont	1633	3917
No. 378—Memorandum dated October 19, 1922, from P. S. du Pont to A. P. Sloan, Jr.	1634	3918
No. 379—Communication dated October 13, 1922, from Cellulose Products Department to Executive Committee	1635	3919
No. 380—Letter dated October 20, 1922, from Irene du Pont to P. S. du Pont	1640	3924
No. 381—Excerpts from Cellulose Products Department Monthly Report—October 1922	1642	3926
No. 382—Advice of action from M. D. Fisher dated February 16, 1923, to W. P. Allen, G. M.	1647	3931
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No. 709—Letter dated December 4, 1924, from Alfred P. Sloan, Jr. to Irene du Pont	2248	4528
No. 710—Letter dated December 12, 1924, initialled APSJr to Irene du Pont	2250	4530
No. 711—Letter dated June 2, 1926, from Irene du Pont to E. W. Webb (Ethyl Gasoline Corporation)	2252	4532



## Government Exhibits:

	Original	Print
No. 712—Extract from Minutes of Meeting of Executive Committee (GMC) December 30, 1924	2254	4534
No. 713—Extract from Minutes of Meeting of Executive Committee (GMC) January 5, 1925	2256	4536
No. 714—Cable dated March 22, 1926, from London Office (du Pont) to Irene du Pont	2257	4537
No. 715—Letter dated June 8, 1926, from Irene du Pont to Alfred P. Sloan, Jr.	2259	4539
No. 716—Interoffice communication dated June 25, 1926, (Ethyl Gasoline Corporation) transmitting suggested form of letter to I. G. Farbenindustrie, A. G.	2262	4542
No. 717—Letter dated July 24, 1926, from "President" to A. P. Sloan, Jr.	2266	4546
No. 718—Communication dated November 18, 1926, from Irene du Pont to Lamot du Pont	2267	4547
No. 720—Letter dated January 11, 1927, from E. W. Webb to Alfred P. Sloan, Jr.	2269	4549
No. 721—Letter dated January 11, 1927, initialled ES to Frank A. Howard	2270	4550
No. 722—Letter dated December 22, 1926, from I. G. Farbenindustrie Aktiengesellschaft to Frank A. Howard (Standard Development Company)	2271	4551
No. 723—Agreement dated January 10, 1927, between I. G. Farbenindustrie Aktiengesellschaft and Ethyl Gasoline Corporation	2276	4556
No. 745—Agreement dated March 31, 1928, between E. I. du Pont de Nemours and Company and Ethyl Gasoline Corporation	2279	4559
No. 746—Agreement dated October 1, 1928, between E. I. du Pont de Nemours and Company and Ethyl Gasoline Corporation	2285	4565
No. 747—Agreement dated August 26, 1929, between Ethyl Gasoline Corporation and E. I. du Pont de Nemours and Company	2290	4570
No. 748—Letter dated March 28, 1930, from Alfred P. Sloan, Jr. to Earle W. Webb (Ethyl Gasoline Corporation)	2297	4577
No. 749—Letter dated April 3, 1930, from E. W. Webb (Ethyl Gasoline Corporation) to Alfred P. Sloan, Jr.	2299	4579
No. 750—Letter dated April 5, 1930, from Alfred P. Sloan, Jr. to Earle W. Webb (Ethyl Gasoline Corporation)	2302	4582
No. 751—Letter dated April 18, 1930, from Alfred P. Sloan, Jr. to Lamot du Pont	2305	4585
No. 752—Memorandum of Agreement dated February 26, 1930, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2308	4588

## Government Exhibits:

	Original	Print
No. 753—Memorandum of Agreement dated September 26, 1931, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2315	4595
No. 754—Memorandum of Agreement dated August 18, 1933, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2322	4602
No. 755—Supplemental Agreement dated December 22, 1933, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2330	4610
No. 756—Agreement dated May 29, 1930, between E. I. du Pont de Nemours & Company and Ethyl Ethyl Gasoline Corporation	2335	4615
No. 757—Agreement dated August 24, 1934, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2341	4621
No. 758—Agreement dated December 20, 1935, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2349	4629
No. 759—Agreement dated July 1, 1936, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2356	4636
No. 762—Letter dated July 17, 1931, from Alfred P. Sloan, Jr. to Lamot du Pont	2363	4643
No. 763—Letter dated July 22, 1931, from "President" to Alfred P. Sloan	2365	4645
No. 764—Letter dated July 28, 1931, from Alfred P. Sloan, Jr. to Lamot du Pont	2367	4647
No. 766—Letter dated February 25, 1932, from L. du Pont to Alfred P. Sloan, Jr.	2370	4649
No. 767—Letter dated February 27, 1932, initialled APSJr to Lamot du Pont	2371	4651
No. 768—Letter dated September 15, 1933, from E. G. Robinson (du Pont) to Mr. A. E. Mittnacht (Ethyl Gasoline Corporation)	2375	4655
No. 769—Letter dated September 20, 1933, from "President" to Alfred P. Sloan, Jr.	2379	4658
No. 770—Letter dated September 19, 1933, from A. E. Mittnacht (Ethyl Gasoline Corporation) to E. G. Robinson (du Pont)	2380	4659
No. 773—"Origins and Early History of the Tetraethyl Lead Business" from N. P. Wescott to F. Sparre, Director, dated June 9, 1936	2384	4663
No. 774—Appendices to foregoing report	2454	4733

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## Government Exhibits:

	Original	Print
No. 775—Letter dated June 29, 1936, from Irene du Pont to W. J. Beadle	2483	4762
No. 779—Letter dated December 19, 1935, from E. W. Webb (Ethyl Gasoline Corporation) to Lammot du Pont	2487	4766
No. 780—Letter dated February 27, 1936, from E. W. Webb (Ethyl Gasoline Corporation) to Lammot du Pont	2490	4769
No. 781—Letter dated March 6, 1936, from Lammot du Pont to E. W. Webb (Ethyl Gasoline Corporation)	2492	4771
No. 782—Letter dated March 18, 1936, from E. W. Webb (Ethyl Gasoline Corporation) to Donaldson Brown (GMC)	2495	4774
No. 783—Letter dated March 12, 1936, from E. W. Webb (Ethyl Gasoline Corporation) to Donaldson Brown, et al.	2500	4779
No. 785—Memorandum of Agreement between Ethyl Gasoline Corporation, E. I. du Pont de Nemours & Company, and Standard Oil Development Company dated July 31, 1936	2509	4788
No. 786—Memorandum dated November 24, 1936, by E. W. Webb	2512	4791
No. 788—"Notes on Letter from Mr. Howard, Jan. 13, 1937, and the Attached Memo"	2516	4795
No. 790—Agreement dated March 2, 1937, between Ethyl Gasoline Corporation and E. I. du Pont de Nemours & Company	2524	4803
No. 794—Communication dated July 30, 1937, from J. W. McCoy to Lammot du Pont, et al.	2530	4809
No. 795—Letter dated December 20, 1937, from Irene du Pont to Alfred P. Sloan, Jr.	2534	4813
No. 796—Letter dated December 20, 1937, from Irene du Pont to E. W. Webb (Ethyl Gasoline Corporation)	2535	4814
No. 797—Communication dated December 31, 1937, from Alfred P. Sloan, Jr. to Policy Committee	2536	4815
No. 798—Lease dated January 1, 1938, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2551	4830
No. 799—Manufacturing Service Agreement dated January 1, 1938, between Ethyl Gasoline Corporation and E. I. du Pont de Nemours & Company	2559	4838
No. 800—License Agreement dated January 1, 1938, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2601	4880



## Government Exhibits:

	Original	Print
No. 801—License Agreement dated January 1, 1938, between Standard Oil Development Company and Ethyl Gasoline Corporation	2614	4893
No. 803—Amendment to License Grant dated January 1, 1938, between Standard Oil Company, Standard Oil Development Company and Ethyl Gasoline Corporation	2617	4896
No. 804—Financing Agreement dated January 6, 1938, between E. I. du Pont de Nemours & Company and Ethyl Gasoline Corporation	2620	4900
No. 806—Communication dated January 12, 1938, from George Russell (GMC) to Donaldson Brown	2623	4903
No. 807—Letter dated January 18, 1938, from Alfred P. Sloan, Jr. to Earle W. Webb (Ethyl Gasoline Corporation)	2629	4909
No. 808—Communication dated January 31, 1938, from E. G. Robinson (du Pont) to Lammot du Pont	2632	4912
No. 810—Communication dated July 12, 1939, from Donaldson Brown to Policy Committee	2634	4914
No. 811—Communication dated July 31, 1939, from F. G. Donner (GMC) to Albert Bradley	2644	4924
No. 821—Agreement dated January 1, 1945, between Ethyl Corporation and E. I. du Pont de Nemours & Company	2648	4928
No. 826—Communication dated May 28, 1947, from Special Committee—Ethyl Study—to Board of Directors	2652	4932
No. 830—Letter dated December 5, 1947, from F. G. Donner (GMC) to E. I. du Pont de Nemours & Company	2673	4953
No. 831—Communication dated February 25, 1948, from Special Committee—Ethyl Corporation—to Board of Directors	2676	4956
No. 832—Bill of Sale dated December 31, 1947, between Ethyl Corporation and E. I. du Pont de Nemours & Company	2678	4958
No. 833—Immunity and Cancellation Agreement dated January 1, 1948, between Ethyl Corporation and E. I. du Pont de Nemours & Company	2680	4960
No. 834—Tetraethyl Lead—The Distribution of Profits—	2694	4974
No. 838—Excerpt from letter to J. L. Pratt from E. G. Biechler dated 3/11/30	2695	4975
No. 839—Excerpt from letter to E. G. Biechler from J. L. Pratt 3/15/30	2696	4976
No. 840—Letter dated March 28, 1930, from E. G. Robinson (du Pont) to John L. Pratt (GMC)	2697	4977
No. 841—Letter dated March 29, 1930, from "Vice President" to E. G. Robinson (du Pont)	2698	4978

## Government Exhibits:

	Original	Print
No. 842—Letter dated June 12, 1930, from J. L. Pratt to E. G. Robinson (du Pont)	2699	4979
No. 843—Letter dated June 24, 1930, from E. G. Robinson (du Pont) to John L. Pratt (GMC)	2704	4984
No. 844—Letter dated June 29, 1930, from "Vice President" to E. G. Biechler (Frigidaire Corporation)	2706	4986
No. 845—Progress report on Fluorides dated June 26, 1930	2707	4987
No. 846—Memorandum from H. M. Williams dated June 28, 1930	2709	4989
No. 847—Letter dated July 25, 1930, from E. G. Biechler (Frigidaire Corporation) to John L. Pratt (GMC)	2710	4990
No. 849—Advice of Action dated August 12, 1930, to J. L. Pratt on "Manufacture of Fluorine Gas"	2711	4991
No. 850—Agreement dated August 27, 1930, between General Motors Corporation and E. I. du Pont de Nemours & Company	2712	4992
No. 851—Letter dated February 9, 1932, from John T. Smith (GMC) to E. I. du Pont de Nemours & Company	2728	5008
No. 852—Letter dated October 10, 1931, from "Vice President" to W. F. Harrington (du Pont)	2729	5009
No. 853—Letter dated September 8, 1938, from Kinetic Chemicals Inc. to E. G. Robinson	2731	5011
No. 854—Communication dated September 12, 1938, from W. W. Rhodes to E. G. Robinson	2733	5013
No. 855—Letter dated September 21, 1938, from E. R. Breech to E. G. Robinson (Kinetic Chemicals Inc.)	2737	5017
No. 856—Letter dated September 15, 1938, from E. G. Robinson (Kinetic Chemicals Inc.) to E. G. Biechler (Frigidaire Corporation)	2738	5018
No. 857—Letter dated September 26, 1938, from E. G. Robinson (Kinetic Chemicals Inc.) to E. R. Breech (General Motors Corporation)	2740	5020
No. 858—Letter dated October 14, 1938, from W. W. Rhodes (Kinetic Chemicals Inc.) to A. J. Snow (Sears, Roebuck & Company)	2741	5021
No. 859—Letter dated October 10, 1938, from Lamot du Pont to Alfred P. Sloan, Jr.	2742	5022
No. 860—Letter dated October 14, 1938, from Alfred P. Sloan, Jr. to Lamot du Pont	2743	5024
No. 861—Letter dated October 17, 1938, from E. G. Biechler (GMC-Frigidaire) to Alfred P. Sloan, Jr.	2744	5025
No. 862—Letter dated October 19, 1938, from E. G. Robinson (Kinetic Chemicals Inc.) to E. R. Breech, et al.	2745	5026

## Government Exhibits:

	Original	Print
No. 863—Memorandum of General Counsel John Thomas Smith dated May 8, 1939	2747	5028
No. 864—Letter dated June 13, 1939, from E. G. Robinson (Kinetic Chemicals Inc.) to E. R. Breech (GMC)	3749	5030
No. 865—Letter dated June 19, 1939, from E. R. Breech (GMC) to E. G. Robinson (Kinetic Chemicals Inc.)	2751	5032
No. 866—Letter dated June 29, 1939, from E. G. Robinson (Kinetic Chemicals Inc.) to E. R. Breech (GMC)	2753	5033
No. 867—Communication dated September 21, 1939, from E. R. Breech (GMC) to John Thomas Smith (GMC)	2754	5035
No. 868—Letter dated April 3, 1942, from W. W. Rhodes (Kinetic to E. G. Biechler (GMC-Frigidaire)	2755	5036
No. 869—Letter dated March 8, 1943, from E. G. Robinson (Kinetic Chemicals Inc.) to E. F. Johnson (GMC)	2756	5037
No. 870—Letter from E. G. Biechler to E. G. Robinson (Kinetic Chemicals Inc.)	2758	5039
No. 871—Letter dated March 24, 1948, from E. G. Biechler to E. G. Robinson (Kinetic Chemicals Inc.)	2760	5041
No. 872—Letter dated April 8, 1943, from E. G. Robinson (Kinetic Chemicals Inc.) to E. G. Biechler (GMC-Frigidaire)	2761	5042
No. 873—Letter dated February 21, 1944, from Divisional Comptroller, Frigidaire Division, to C. D. Porch (Kinetic Chemicals Inc.)	2762	5043
No. 874—Letter dated March 10, 1944, from C. D. Porch (Kinetic Chemicals Inc.) to E. F. Johnson (GMC)	2763	5044
No. 875—Letter dated February 24, 1924, from "Vice President" (GMC) to Kinetic Chemicals Inc.	2765	5046
No. 876—Letter dated March 4, 1944, from W. W. Rhodes (Kinetic Chemicals Inc.) to C. D. Porch (Kinetic Chemicals Inc.)	2767	5048
No. 878—Communication dated March 6, 1944, from C. D. Porch to E. G. Robinson transmitting "History of the Development and Exploitation of 'Freon-114' "	2768	5049
No. 879—Letter dated April 20, 1944, from J. Ralph Fehr (GMC-Frigidaire) to E. F. Johnson (GMC)	2776	5057
No. 880—Agreement dated May 18, 1944, between General Motors Corporation and Kinetic Chemicals Inc.	2777	5058
No. 881—Letter dated June 22, 1944, from W. F. Harrington (du Pont) to E. F. Johnson (GMC)	2779	5060



## Government Exhibits:

	Original	Print
No. 882—Communication dated November 9, 1944, from Donaldson Brown to Policy Committee	2780	5061
No. 883—Report of Operations of Kinetic Chemicals Inc. from 1930 through 1943	2781	5062
No. 884—Letter dated April 23, 1945, from E. G. Robinson to E. K. Gladding	2809	5090
No. 885—Communication from M. D. Fisher (du Pont) to E. K. Gladding	2810	5091
No. 886—Communication dated April 28, 1945, from Development Department to Executive Committee re "Question of Purchasing General Motors Corporation's 49% Interest in Kinetic Chemicals, Inc."	2812	5093
No. 887—Kinetic Chemicals, Inc.—Sales and, Profits—1930-1942	2828	5109
No. 888—Letter dated January 18, 1927, from L. du Pont to John J. Raskob	2829	5110
No. 889—Letter dated January 19, 1927, from John J. Raskob to Lammot du Pont	2831	5112
No. 890—Letter dated January 21, 1927, from Alfred P. Sloan, Jr. to Lammot du Pont	2832	5113
No. 891—Letter dated January 25, 1927, from L. du Pont to Alfred P. Sloan	2835	5116
No. 892—Letter dated February 3, 1927, initialled APS Jr to Lammot du Pont	2837	5118
No. 893—Letter dated February 3, 1927, initialled APS Jr to J. Brooks Jackson (GMC)	2839	5120
No. 894—Letter dated February 21, 1927, from Lammot du Pont to Alfred Sloan	2841	5122
No. 895—Memorandum dated July 13, 1931, Fin Sparre (Development Department du Pont) to Foreign Relations Committee	2842	5123
No. 896—Letter dated July 3, 1931, from J. L. Pratt (GMC) to David W. Jayne (du Pont)	2844	5125
No. 897—Memorandum dated July 15, 1931, from Foreign Relations Committee (du Pont) to Fin Sparre	2845	5126
No. 898—Letter dated July 16, 1931, from "Chairman of the Board" (du Pont) to John Pratt (GMC)	2846	5127
No. 899—Letter dated July 20, 1931, from J. L. Pratt (GMC) to Lammot du Pont (GMC)	2848	5129
No. 900—Letter dated July 21, 1931, from "President" to John L. Pratt (GMC)	2854	5135
No. 901—Memorandum dated July 21, 1931, from L. du Pont to E. G. Robinson	2855	5136
No. 902—Memorandum dated August 26, 1931, from D. W. Jayne to F. Sparre	2856	5137
No. 1050—Letter dated March 11, 1946, from "Mots Copeland" to Lammot du Pont	2864	5145
No. 1085—Letter dated January 31, 1930, initialed LduP to F. B. Davis (U. S. Rubber Co.)	2866	5147

## Government Exhibits:

	Original	Print
No. 1204—"Relative Size of du Pont, General Motors, and U. S. Rubber in their Respective Fields"	2868	5149
No. 1205—"Relative Size of du Pont, General Motors and U. S. Rubber in their Respective Fields—Year 1950"	2869	5150
No. 1209—"Interrogatories Nos. 3 and 4 Propounded by Plaintiff to Pierre S. du Pont, Irene du Pont, and Lammot du Pont"	2870	5151
No. 1210—"Answer of Pierre S. du Pont to Plaintiff's Interrogatories Nos. 3 and 4"	2871	5152
No. 1210A—Answer of Pierre S. du Pont to Interrogatory No. 3	2872	5153
No. 1210A—Correction to foregoing answer	2874	5155
No. 1211—"Answer of Lammot du Pont to Plaintiff's Interrogatories Nos. 3 and 4"	2875	5156
No. 1211A—"Answer of Lammot du Pont to Interrogatory No. 3"	2876	5157
No. 1212—"Answer of Defendant Irene du Pont to Plaintiff's Interrogatories Nos. 3 and 4"	2882	5163
No. 1212A—"Answer of Irene du Pont to Interrogatory No. 3"	2883	5164
No. 1213—"Answer of Pierre S. du Pont to Plaintiff's Interrogatory No. 4"	2892	5173
No. 1214—"Answer of Lammot du Pont to Plaintiff's Interrogatory No. 4"	2893	5174
No. 1214—Correction to foregoing answer	2894	5175
No. 1215—"Answer of Irene du Pont to Plaintiff's Interrogatory No. 4"	2895	5176
No. 1217—"Answer of the Defendant Delaware to Plaintiff's Interrogatory No. 4"	2896	5177
No. 1217A—Excerpt from Answer of Defendant Delaware to Plaintiff's Interrogatory #4(a)	2897	5178
No. 1217A—Correction to foregoing answer	2898	5179
No. 1228—Letter dated February 22, 1923, from "Director of Research" (General Motors Research Corporation) to A.P. Sloan, Jr.	2899	5180
No. 1236—Letter dated December 18, 1944, from "Chairman of the Board" (du Pont) to Alfred P. Sloan, Jr.	2900	5181
No. 1237—Letter dated December 29, 1944, from Alfred P. Sloan, Jr. to Lammot du Pont	2902	5183
No. 1238—Letter dated January 7, 1941, from "President" (du Pont) to Donaldson Brown (GMC)	2904	5185
No. 1240—"Management Proxy Holders (Persons designated by the management of the respective companies to receive the proxies of stockholders and to vote the stock at stockholders' meetings)"	2909	5190

Government Exhibits:	Original	Print
No. 1244—Progress Report dated March 31, 1917, from Development Department to Executive Committee	2911	5192
No. 1245—Memorandum dated February 10, 1925, from Development Department to Executive Committee re "Proposed Consolidation with the Viscoloid Company"	2919	5198
No. 1217—"Answer to Plaintiff's Interrogatory V of December 7, 1951"	2929	5208
No. 1277—"Stock held directly or beneficially by members of the du Pont family, including individual defendants and beneficiary defendants as defined in the complaint as amended, in Delaware, Christiana, U. S. Rubber, common, and Wilmington Trust Co., as of June 1949."	2930	5209
No. 1277—Correction to foregoing list	2937	5214
No. 1294—"The Three Brothers' Positions in Defendant Companies"	2938	5215
No. 1295—"1951 Sales of Ten Industrial Manufacturers"	2941	5218
No. 1301—Excerpt from grand jury subpoena duces tecum, dated August 20, 1948, and addressed to General Motors Corporation	2942	5219
No. 1302—Letter dated October 27, 1948, from General Motors Corporation to Ferris Hurd	2945	5222
No. 1303—Stock Holding Relationships among Members of the du Pont Family and Corporate Defendants as of June 1949	2946	5221
No. 1303—Correction of foregoing chart	2947	5224
No. 1304—Excerpt from 1920 Annual Report of E. I. du Pont de Nemours & Company, Inc., to Stockholders	2948	5225
No. 1305—Interrogatory No. 1 Propounded by Plaintiff General Motors Corporation on December 7, 1951	2951	5228
No. 1306—Excerpt from Answer of General Motors Corporation to Interrogatory No. 1 Propounded by Plaintiff on December 7, 1951	2952	5229
No. 1307—Du Pont Stock at General Motors Stockholders Meetings 1928-1949	2953	5230
No. 1308—Excerpt from Annual Report of du Pont Corporation to its Stockholders for the year 1938 (Page 22)	2954	5231
No. 1309—Summary of Directorships and Other Official Positions Held by Individual Defendants and Certain Other Individuals in Defendant Corporations	2955	5232
No. 1309—Corrections to foregoing summary	2963	5240
No. 1312—Agreement dated June 23, 1920, between J. P. Morgan & Co. and certain subscribers	2965	5242



## Government Exhibits:

	Original	Print
No. 1313—Memorandum of Agreement dated April 30, 1926, between American Research Laboratories Inc. and Ethyl Gasoline Corporation	2973	5250
No. 1314—Answer of E. I. du Pont de Nemours and Company, filed March 7, 1952, to Interrogatory 7(a) and 7(b)	2983	5260
No. 1315—Fabrics Routine Trade Report (du Pont)	2990	5267
No. 1316—Excerpts from Monthly Report—June 1925—Paint, Lacquer and Chemicals Department	2991	5268
No. 1317—Excerpt from Report of Fabrikoid Division to Executive Committee, for January 1927, dated February 23, 1927	2992	5269
No. 1318—Excerpts from the Monthly Report of the Cellulose Products Department to the Executive Committee for May 1923, dated July 2, 1923	2993	5270
No. 1319—Excerpt from Industrial Sales Trade Report Report re Call on Packard Electric Co., dated 10/20/32	2994	5271
No. 1320—Report of salesman W. P. Fisher with Customer Packard Electric Corporation	2996	5273
No. 1321—Industrial Sales Trade Report (du Pont) April 24, 1935	2998	5275
No. 1322—Industrial Sales Trade Report (du Pont) June 17, 1936	3000	5277
No. 1323—Report No. 98 by E. J. Kadlae dated August 24, 1942	3002	5279
No. 1324—Letter dated June 28, 1949, from John M. Stutt to Henry E. Lackey	3004	5281
No. 1325—Salesman's report dated May 15, 1940, J. H. Norton (du Pont)	3006	5283
No. 1326—Letter dated August 22, 1946, from J. V. Hendrick (Chrysler Corporation) to V. A. Cosler (du Pont)	3007	5284
No. 1328—Letter from E. I. du Pont de Nemours & Company to General Motors Corporation	3008	5285
No. 1329—"The Electroplating Situation" by F. F. Opinger	3009	5286
No. 1331—Excerpts from Minutes of Meetings of Interdivisional Relations Committees, General Purchasing Committee, General Motors Corporation, February 6, 1925	3027	5306
No. 1335—Memorandum dated March 29, 1944, of Delaware Realty and Investment Company	3028	5307
No. 1343A—Chart showing General Motors Corporation purchases from competitors of E. I. du Pont de Nemours & Company	3037	5316
No. 1343B—Comptroller's Circular Letter (GMC) dated January 31, 1949	3047	5326

## Government Exhibits:

	Original	Print
No. 1344—Du Pont Sales by Product to General Motors Corporation and 100% Owned Subsidiaries for the years 1938, 1939, 1940, 1941, 1946, and 1947	3061	5340
No. 1345—Memorandum dated August 19, 1921, from J. J. Raskob to Directors, E. I. du Pont de Nemours & Company	3068	5347
No. 1346—Memorandum dated September 24, 1936, from C. R. Mudge (du Pont) to W. S. Carpenter	3072	5351
No. 1348—Letter dated December 27, 1933; from Alfred P. Sloan, Jr. to Lammot du Pont	3074	5353
No. 1349-1351—Du Pont Fabrics Industrial Master Trade Reports in connection with sales to Fisher Body Division of General Motors	3075	5354
No. 1352-1354—Du Pont Fabrics Industrial Master Trade Reports in connection with sales to Chevrolet-Indianapolis Division (GMC)	3081	5360
No. 1355-1357—Du Pont Fabrics Industrial Master Trade Reports in connection with sales to GMC Truck & Coach Division	3093	5362
No. 1358—Du Pont "Fabrikoid" and Rubber Trade Report of sales to Chevrolet—Commercial Body Division (GMC)	3101	5380
No. 1361—Excerpts from Automotive Products Trade Reports (Fisher Body Corporation)	3103	5382
No. 1362—Excerpts from Plastics Department—Industrial Division Molding Powder Trade Report (Inland Manufacturing Co.)	3106	5385
No. 1363—Excerpts from Industrial Sales Trade Reports, Finishes Division (Packard Electric Co.)	3110	5389
No. 1364—Excerpts from Automotive Products Trade Reports, Flint Plant (Olds Motor Works)	3115	5394
No. 1365—Excerpts from Automotive Products Trade Reports, Flint Plant (Cadillac Motor Car Co.)	3116	5395
No. 1366—Excerpts from Salesman's Trade Report, Rubber Chemicals Division (Inland Manufacturing Division, GMC)	3118	5397
No. 1367—Excerpt from the Monthly Report of the Cellulose Products Department to the Executive Committee for April, 1922, dated May 15, 1922	3119	5398
No. 1368—Excerpts from the Paint, Lacquer and Chemicals Department Monthly Report to the Executive Committee for November, 1926, dated December 23, 1926	3120	5399
No. 1369—Excerpts from the Monthly Report of the Chemical Products Division to the Executive Committee for February, 1927, dated March 22, 1927	3121	5400

## Government Exhibits:

	Original	Print
No. 1370—Excerpts from Monthly Report of the Automotive Finishes Division to William Richter for May, 1931, dated June 13, 1931	3122	5401
No. 1371—Excerpts from Monthly Report of the Finishes Division for December, 1932, undated	3123	5402
No. 1372—Excerpt from the Monthly Report of the Fabrics and Finishes Department to the Executive Committee for August, 1935, dated September 20, 1935	3124	5403
No. 1373—Excerpt from the Monthly Report of the Fabrics and Finishes Department to the Executive Committee for July, 1946, dated August 23, 1946	3125	5404
No. 1374—Excerpt from the Monthly Report of the Fabrics and Finishes Department to the Executive Committee for May, 1947, dated June 27, 1947	3126	5405
No. 1375—Excerpt from Annual Competitive Report (1935), dated March 5, 1936, from Fabrics & Finishes Department to Executive Committee of E. I. du Pont de Nemours & Company	3127	5406
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No. 212—Letter dated October 16, 1922, from "Director of Research" to Mr. P. S. du Pont	3905	6099
No. 213—Excerpts from the Cellulose Products Department Monthly Report to the Executive Committee for March, 1923, dated April 23, 1923	3906	6100
No. 214—Excerpt from the Monthly Report of the Cellulose Products Department to the Executive Committee for September, 1923, dated October 27, 1923	3907	6103
No. 215—Advertisement from The Saturday Evening Post, April 26th	3911	6106
No. 216—Flint Varnish and Color Works, Sales to Buick and to Fisher Body and Buick and Fisher Body Production, 1923 and 1924	3911	6107
No. 217—Memorandum dated April 29, 1918, from R. R. M. Carpenter to Executive Committee enclosing report of Paint and Varnish Industry	3912	6108
No. 218—Memorandum, dated April 23, 1918, from R. R. M. Carpenter to Executive Committee enclosing report of Development Department on the Flint Varnish & Color Works	3921	6117
No. 219—Letter dated April 9, 1923, from H. Grubb, General Manager, to L. du Pont	3925	6120
No. 220—Letter dated May 7, 1923; initialed LduP to Mr. Hunter Grubb	3926	6122
No. 221—Flint Varnish and Color Works, Net Income, by Years, 1916-1924, inclusive	3927	6123
No. 222—Du Pont Sales of Finishes to Fisher Body and Fisher Body Production, Years 1924-1927	3928	6124
No. 223—Letter dated July 25, 1928, from General Purchasing Committee to E. I. du Pont de Nemours Company	3929	6125
No. 224—Excerpt from Minutes of Standing Sub-Committee, General Purchasing Committee, June 28, 1927	3930	6126
No. 225—Letter dated November 7, 1922, from F. S. MacGregor (du Pont) to J. L. Pratt	3931	6127
No. 226—Letter dated November 6, 1922, from R. H. Shepard (du Pont) to F. S. MacGregor	3932	6128
No. 227—Letter dated June 30, 1922; from B. Buchler (Philadelphia Paper Mfg. Company) to E. I. du Pont de Nemours & Co.	3933	6129



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No. 228—Chart (du Pont) of Divisions and products	3934	6130
No. 229—Diagram of Organization, Experimental Station, May 1, 1912 (duPont)	3935	6131
No. 230—Excerpt from letter dated June 28, 1913, from Chas. L. Patterson to Executive Committee (du Pont)	3936	6132
No. 231—Excerpt from letter dated August 2, 1913, from Patterson to Executive Committee (du Pont)	3937	6133
No. 232—Excerpt from Report of Sales Department to Ex- ecutive Committee for November, 1913, dated January 2, 1914	3938	6134
No. 233—Excerpt from Report of Sales Department to Executive Committee, dated January 26, 1914	3939	6135
No. 234—Excerpt from Sales Department's Report for September, dated November 24, 1914, to Ex- ecutive Committee	3940	6136
No. 235—Excerpt from Sales Department's Report for the month of February, 1915, dated March 31, 1915, to Executive Committee	3941	6138
No. 236—Excerpt from Sales Department's Report for the month of March, 1915, dated April 30, 1915, to Executive Committee	3942	6139
No. 237—Excerpts from a list of Accounts Receivable of the E. I. duPont de Nemours Powder Com- pany, Schedule of Fabrikoid Agency, dated July 31, 1913	3943	6140
No. 238—Letter dated July 20, 1916 (signature illegible) to Board of Directors (du Pont Fabrikoid Company) enclosing Operating Department Report for May 1916	3946	6143
No. 239—Excerpt from du Pont Magazine February 1916	3948	6145
No. 240—Letter dated July 8, 1947, from J. R. Owens (du Pont) to A. L. Brown	3949	6146
No. 241—Memorandum dated December 26, 1947, from A. L. Brown to T. A. Nalle	3950	6147
No. 242—Memorandum dated August 5, 1940, from T. A. Nalle to E. Doremus	3951	6148
No. 243—Unsigned Memorandum dated May 15, 1918, en- titled "Our File FO Chevrolet Motor Co. —FK"	3952	6149
No. 244—Excerpt from Report of du Pont Fabrikoid Com- pany to C. W. Phellis, General Director of Sales, for the month of November, 1919, dated January 2, 1920	3955	6152
No. 245—Excerpt from Report of the du Pont Fabrikoid Company to F. W. Pickard for the month of March, 1919, dated May 8, 1919	3956	6153

duPont Exhibits:		Original	Print
No. 246—Unsigned memorandum, undated, entitled "Buick Motor Company"		3957	6154
No. 247—Excerpt from Report of Fabrikoid Division to Executive Committee for November, 1922, dated December 18, 1922		3961	6158
No. 248—Excerpt from Report of Cellulose Products Department to Executive Committee for October, 1923, dated November 23, 1923		3962	6159
No. 249—Memorandum dated July 15, 1936, from A. L. Brown to T. A. Nalle		3963	6160
No. 250—Dollar Sales of Coated and Combined Fabrics to the Chevrolet Motor Company—1922 to 1935 (du Pont)		3964	6161
No. 251—Letter dated July 23, 1918, from W. P. Chrysler to J. A. Haskell		3965	6162
No. 252—Memorandum dated July 28, 1920, unsigned		3967	6164
No. 253—Excerpt from Report of Fabrikoid Division to Executive Committee for January, 1922, dated February 15, 1922		3968	6165
No. 254—Excerpt from Report of Fabrikoid Division to Executive Committee for October, 1922, dated November 17, 1922		3969	6165a
No. 255—Excerpt from Report of Fabrikoid Division to Executive Committee for March 1923, dated April 23, 1923		3970	6166
No. 256—Excerpt from Report of Fabrikoid Division to Executive Committee for May, 1923, dated July 2, 1923		3971	6167
No. 257—Excerpt from Report of the Fabrics Division to Executive Division for March 1929, dated April 19, 1929		3972	6168
No. 258—Excerpt from memorandum dated September 21, 1931, unsigned, to Wm. Richter, re Fabrikoid Division, Monthly Report—August, 1931		3973	6169
No. 259—Dollar Sales of Coated and Combined Fabrics—The Buick Motor Company—1919 to 1933 (du Pont)		3974	6170
No. 260—Dollar Sales of Coated and Combined Fabrics to the Cadillac Motor Car Co.—1921 to 1926 (du Pont)		3975	6171
No. 261—Letter dated April 10, 1918, from du Pont Fabrikoid Company to Olds Motor Works		3976	6172
No. 262—Letter dated October 12, 1918, from Chas. L. Petze to J. A. Haskell		3977	6173
No. 263—Dollar Sales of Coated and Combined Fabrics to the Olds Motor Works, 1922 to 1930		3979	6175
No. 264—Letter dated February 8, 1922, from E. I. du Pont de Nemours & Company, Fabrikoid Division, to C. O. Miller (Oakland Motor Car Co.)		3980	6176

duPont Exhibits:	Original	Print
No. 265—Dollar Sales of Coated and Combined Fabrics to the Oakland Motor Company, 1922 to 1933 (du Pont)	3981	6177
No. 266—Letter dated July 6, 1925, from John T. Allmand to E. I. du Pont de Nemours & Company	3982	6178
No. 267—Letter dated July 17, 1925, from John T. Allmand to H. A. Lindsey (du Pont)	3983	6179
No. 268—Letter dated September 1, 1925, from N. P. Wescott to J. Henry Smith	3984	6180
No. 269—Memorandum dated September 29, 1925, from H. A. Lindsey to E. R. Cathcart—Manager Fairfield Plant	3986	6182
No. 270—Memorandum dated September 30, 1925, from J. Henry Smith to H. A. Lindsey, Dir. of Sales	3987	6183
No. 271—Memorandum dated November 20, 1925, from Fabrikoid Division to W. F. Allen, General Manager, entitled Report for October 1925	3988	6184
No. 272—Memorandum dated June 22, 1926, from Fabrikoid Division to W. P. Allen, General Manager, entitled Report for May 1926	3989	6192
No. 273—Memorandum dated October 30, 1931, from J. J. Moosmann to Mr. J. Thompson Brown	3997	6198
No. 274—Memorandum dated March 25, 1926, from Hamilton Bradshaw to M. N. Nickowitz	3998	6199
No. 275—Memorandum dated May 21, 1929, from Sales Mgr. Fairfield Automotive Products, to M. N. Nickowitz	3999	6200
No. 276—Excerpt from Report of Fabrikoid Division to Executive Committee for February, 1927, dated March 27, 1927	4001	6202
No. 277—Excerpt from Report of Fabrikoid Division to Executive Committee for March, 1928, dated April 21, 1928	4002	6203
No. 278—Excerpts from memorandum dated July 24, 1929, from Fabrikoid Division to W. Richter, General Manager	4003	6204
No. 279—Excerpts from memorandum dated March 20, 1929, from Fabrikoid Division to W. Richter, General Manager	4005	6206
No. 280—Undated memorandum from H. S. Plank to E. S. Nickerson	4007	6208
No. 281—Comparison of Passenger Car Production with Possible Potential in Auto Field—11 Months 1930	4009	6210
No. 282—Potential Existing in Automotive Field for Use of Pyroxylin or Rubber-Coated Textiles as Original Equipment, 11 months 1930	4010	6211



## duPont Exhibits:

	Original	Print
No. 283—Excerpt from Memorandum dated October 19, 1931, unsigned, to Wm. Richter, General Manager, re Fabrikoid Division, Monthly Report, September, 1931	4011	6212
No. 284—Memorandum dated June 13, 1932, from E. S. Nickerson to G. A. Staples	4012	6213
No. 285—Memorandum dated April 18, 1938, from A. L. Brown to G. S. Sherin	4014	6215
No. 286—Memorandum dated January 16, 1934, from A. L. Brown to H. S. Plank	4015	6216
No. 287—Memorandum dated March 28, 1938, from A. L. Brown to G. A. Staples	4017	6219
No. 288—Memorandum dated May 15, 1939, from A. L. Brown to E. R. Cathcart	4018	6220
No. 289—Memorandum dated May 23, 1939, from A. L. Brown to T. A. Nalle	4019	6221
No. 290—Letter dated June 17, 1940, from Fabrikoid Division to Fisher Body Detroit Division	4020	6222
No. 291—Memorandum dated January 20, 1947, from T. A. Nalle to A. L. Brown	4021	6223
No. 292—Unsigned memorandum dated January 20, 1947, to C. A. Alt re "Fisher Body Division—Convertible Top Material"	4022	6224
No. 293—Memorandum dated January 24, 1947, from M. N. Nickowitz to W. S. Lynch—Purchasing	4023	6225
No. 294—Memorandum dated March 25, 1947, from A. F. Schildhauer to A. L. Brown	4024	6226
No. 295—Office Trade Report #2 dated January 27, 1947, from M. N. Nickowitz	4025	6227
No. 296—Memorandum dated October 10, 1949, from A. L. Brown to R. C. Williams	4026	6228
No. 297—Dollar Sales of Coated and Combined Fabrics to Fisher Body Company—1923 to 1949 (du Pont)	4029	6231
No. 298—Yardage Sales of Coated and Combined Fabrics to Fisher Body Company—1923 to 1949 (du Pont)	4030	6232
No. 299—Excerpt from Report of the Fabrikoid Division to the Executive Committee for April 1928, dated May 26, 1928	4031	6233
No. 300—Memorandum dated March 7, 1940, from A. L. Brown to T. A. Nalle	4032	6234
No. 301—Memorandum dated June 5, 1940, from W. W. Kaminsky to T. A. Nalle	4033	6235
No. 302—Fabrikoid and Rubber Trade Report dated November 25, 1940	4034	6236
No. 303—Memorandum dated November 20, 1940, from A. L. Brown to T. A. Nalle	4035	6237
No. 304—Memorandum dated December 20, 1940, from A. F. Schildhauer to F. J. Brannigan	4036	6238

## duPont Exhibits:

	Original	Print
No. 305—Dollar Sales of Coated Fabrics to Yellow Truck & Coach Co.—1927 to 1943, inclusive (du Pont)	4039	6241
No. 306—Yardage Sales of Coated Fabrics to Yellow Truck & Coach Co.—1927 to 1943 (du Pont)	4040	6242
No. 307—Dollar Sales of Coated Fabrics to General Motors Truck & Coach Division, 1944 to 1950 (du Pont)	4041	6243
No. 308—Yardage Sales of Coated Fabrics to General Motors Truck & Coach Division, 1944 to 1950 (du Pont)	4042	6244
No. 309—Memorandum dated September 25, 1940, from W. W. Kaminsky to Messrs. E. R. Catheart and A. F. Schildhauer	4043	6245
No. 310—Memorandum dated May 9, 1947, from T. A. Nalle to A. L. Brown	4047	6249
No. 311—Dollar Sales of Coated Fabrics to Chevrolet Commercial Body Division, 1931, to 1950 (du Pont)	4049	6251
No. 312—Yardage Sales of Coated Fabrics to Chevrolet Commercial Body Division, 1931 to 1950 (du Pont)	4050	6252
No. 313—Excerpt from Report of Fabrikoid Division to C. W. Phellis, General Director of Sales, for February, 1921, dated April 2, 1921	4051	6253
No. 314—Excerpt from Report of Fabrikoid Division to C. W. Phellis, General Director of Sales, for April, 1921, dated June 8, 1921	4052	6254
No. 315—Excerpt from Report of the Fabrikoid Division to the Executive Committee for May, 1923, dated July 2, 1923	4053	6255
No. 316—Excerpt from Report of Fabrikoid Division to Executive Committee for September, 1928, dated October 20, 1928	4054	6256
No. 317—Excerpt from Report of Fabrics Division to Executive Committee for October, 1929, dated November 22, 1929	4055	6257
No. 318—Excerpt from memorandum dated December 17, 1929, unsigned, to Wm. Richter, re. Fabrikoid Division, Monthly Report, November, 1929	4056	6258
No. 319—Undated memorandum from C. W. Weaver to J. J. Moosman	4057	6259
No. 320—Excerpt from Report of the du Pont Fabrikoid Company to F. W. Pickard for the month of January, 1919, dated March 6, 1919	4064	6266
No. 321—Dollar Sales of Coated and Uncoated Fabrics to the Chrysler Corporation, 1925 to 1934 (du Pont)	4065	6267
No. 322—List Price of 6200—50" Fabrikoid	4066	6268

## duPont Exhibits:

	Original	Print
No. 323—Yardage Sales of Coated and Combined Fabrics to the Chevrolet Motor Company, 1922 to 1935 (du Pont)	4067	6269
No. 324—Yardage Sales of Coated and Combined Fabrics to the Oakland Motor Company, 1922 to 1933 (du Pont)	4068	6270
No. 325—Purchases of Coated and Combined Fabrics per Car Basis from GM 151 and DP 259, 263 and 265	4069	6271
No. 326—Letter dated July 5, 1918, signed "Vice President" to F. W. Warner (Oakland Motor Car Company)	4070	6272
No. 327—Letter dated July 5, 1918, from "Vice President" to E. VerLinden (Olds Motor Works)	4071	6273
No. 328—Memorandum dated October 24, 1932, from T. A. Nalle to C. W. Weaver	4072	6274
No. 329—Letter dated June 1, 1953, from "General Counsel" to Ira C. Werle (Eastman Kodak Company)	4074	6276
No. 330—Letter dated June 5, 1953, from M. K. Robinson, Secretary, to Stanley L. Abrams (du Pont)	4075	6277
No. 333—Industrial Sales Trade Report (du Pont) dated January 14, 1932	4077	6279
No. 334—Industrial Sales Trade Report (du Pont) dated May 7, 1934	4079	6281
No. 335—Industrial Sales Trade Report (du Pont) dated May 8, and 9 1936	4080	6282
No. 336—Wilmington F & F Sales Record, dated September 11, 1941	4082	6284
No. 337—Automotive Products Trade Report dated April 13, 1931	4084	6286
No. 338—Industrial Sales Trade Report (du Pont) dated March 16, 1926	4086	6288
No. 339—Automotive Products Trade Report (du Pont) dated December 3, 1930	4087	6289
No. 340—Finishes Division Report (du Pont) dated January 25, 1939	4090	6292
No. 341—Finishes Division Report (du Pont) dated July 17, 1939	4091	6293
No. 342—Industrial Sales Trade Report (du Pont) dated Sep. 20, 1940	4093	6295
No. 343—Memorandum dated January 8, 1940, from L. C. Streeter (du Pont) to C. J. Linahan re Gibson Refrigerator Co. and Frigidaire Division	4095	6297
No. 344—Excerpt of memorandum dated October 3, 1940 from L. C. Streeter to G. A. Biesecker	4097	6299
No. 345—Memorandum dated March 17, 1947, from W. E. Kreuer to Messrs. J. B. Bullett and C. R. E. Nerkle	4098	6300



duPont Exhibits:		Original	Print
No. 346—Excerpt from undated, unsigned memorandum entitled "Trade Report Covering Visit of John O'Donnell to Frigidaire on August 1, 1950	4100	6302	
No. 348—Memorandum dated April 1, 1940, from R. M. Cook to L. C. Streeter	4101	6303	
No. 349—Summary, Refrigerator, Washing Machine and Steel Kitchen Cabinet Meeting, November 10, 1944	4102	6304	
No. 351—Industrial Sales Trade Report (du Pont) dated January 23, 1942	4105	6307	
No. 352—Excerpt from Trade Report Covering Visit of John D. O'Donnell to Frigidaire on September 14, 1950	4106	6308	
No. 353—Memorandum dated April 12, 1949, from SWM to JBL re Pontiac Motor Co. Radiator Hose	4107	6309	
No. 354—Excerpt from Development Report of the Rubber Chemicals Division dated May 15, 1950	4108	6310	
No. 355—Office Trade Report dated February 8, 1945 to J. A. Turner, Mgr. Chicago Office	4110	6312	
No. 356—Salesman's Trade Report (Rubber Chemicals Division) dated January 11, 1950	4111	6313	
No. 357—Salesman's Report (du Pont) dated February 27-28, 1940	4112	6314	
No. 358—Salesman's Report (du Pont) dated July 22, 1940	4114	6316	
No. 359—Office Trade Report (du Pont) dated October 3-4, 1940	4119	6321	
No. 360—Salesman's Report (du Pont) dated August 25, 1941	4121	6323	
No. 361—Salesman's Trade Report (Rubber Chemicals Division, du Pont) dated October 22, 1950	4127	6329	
No. 362—Estimated Annual Requirements of General Motors Divisions and Other Automobile Manufacturers of Case-Hardening and Heat Treating Materials Sold by du Pont and Other Companies respectively, Selected from General Survey of All Users of Such Products by R. B. K'Burg in September 1937	4128	6330	
No. 363—Case hardening and Heat Treating—Du Pont's Participation in Supplying Requirements of General Motors Divisions	4129	6331	
No. 364—Excerpts from R&H Chemicals Department's "Sales Research and Development Monthly Summary Reports" concerning Chevrolet #30 Salt	4130	6332	
No. 365—Excerpt from the Report for February 1933 of the R. and H. Chemicals Department to the Executive Committee dated March 21, 1933	4131	6333	

## duPont Exhibits:

	Original	Print
No. 366—Excerpt from the Report of the R. and H. Chemicals Department for April 1933 to the Executive Committee, dated May 25, 1933	4132	6334
No. 367—Excerpt from Report of D. A. Holt entitled "Metal Cyanide Research," dated September 7, 1933	4133	6335
No. 368—Excerpt from Report of W. M. Gager of the Technical Service Department of the Roeseler & Hasslacher Chemical Company, Inc. entitled "Sodium Cyanide—Its Present Status in the Steel Treating Industry," dated December 19, 1932	4134	6336
No. 369—Excerpt from Report of R. B. K'Burg entitled "Division [R H Metallurgical Division] Progress Report for January 1–July 1, 1931," dated August 18, 1931	4135	6337
No. 370—Report by W. M. Gager dated November 15, 1928, on "Visit to the Delco Remy Co., Anderson, Ind., Thursday, November 15th"	4136	6338
No. 371—Excerpts from Report to Executive Committee entitled "Technical Accomplishments for 1938", dated February 2, 1939	4138	6340
No. 372—Copper Plating Processes—du Pont's Participation in Supplying Requirements of General Motors Division	4139	6341
No. 373—Technical Service Report (du Pont) dated April 25, 1939 by F. F. Oplinger	4140	6342
No. 374—Technical Service Report (du Pont) dated June 10, 1941, by H. W. Kennedy	4142	6344
No. 375—Technical Service Report (du Pont) dated October 1, 1940, by H. W. Kennedy	4143	6345
No. 376—Master Report (du Pont) dated January 2, 1941, by H. W. Kennedy and R. R. Bair	4144	6346
No. 377—Technical Service Report (du Pont) dated September 6, 1939, by F. F. Oplinger	4145	6347
No. 378—Technical Service Report (du Pont) dated May 29, 1945, by H. L. Benner	4147	6349
No. 379—Routine Trade Report (du Pont) dated May 8, 1941, unsigned	4148	6350
No. 380—Technical Report (du Pont) dated March 31, 1949, unsigned	4150	6352
No. 381—Memorandum, dated August 17, 1949, from W. A. Marsh (du Pont) to P. R. Lindsay	4152	6354
No. 383—Excerpt of Memorandum dated November 19, 1934, from Arthur G. Weber to J. C. Woodhouse	4153	6355
No. 384—Excerpt of Memorandum undated, from John C. Woodhouse entitled "Report for the Week Nov. 26–Nov. 28, 1934"	4155	6357

## duPont Exhibits:

	Original	Print
No. 385—Excerpt of Memorandum dated November 23, 1934, from Arthur G. Weber to J. C. Woodhouse	4156	6358
No. 386—Excerpt of Memorandum dated December 12, 1934, from Arthur G. Weber to J. C. Woodhouse	4157	6359
No. 387—Excerpt of Memorandum dated August 2, 1935, from Arthur G. Weber, to J. C. Woodhouse	4159	6361
No. 388—Memorandum dated January 14, 1938, from K. E. Walker (du Pont) to J. C. Woodhouse	4161	6363
No. 389—Excerpt of Memorandum dated January 14, 1938, from K. E. Walker to J. C. Woodhouse	4162	6364
No. 390—Excerpt of Memorandum dated August 8, 1938, from K. E. Walker to J. C. Woodhouse	4163	6365
No. 391—Memorandum dated August 10, 1938, from K. E. Walker to J. C. Woodhouse	4164	6366
No. 392—Excerpt from memorandum dated August 10, 1938, from K. E. Walker to J. C. Woodhouse	4165	6367
No. 393—Memorandum dated September 12, 1938, from K. E. Walker to J. C. Woodhouse	4167	6369
No. 394—Excerpt of Memorandum dated December 23, 1938, from K. E. Walker to J. C. Woodhouse	4169	6371
No. 395—Memorandum dated December 29, 1938, from K. E. Walker to J. C. Woodhouse	4171	6373
No. 396—Memorandum dated March 24, 1939, from "Ammonia Department" to J. D. Eby (Wagner Electric Corporation)	4174	6376
No. 397—Excerpt of Memorandum dated April 2, 1940, from K. E. Walker, to J. C. Woodhouse	4176	6378
No. 398—Excerpt of Memorandum dated May 6, 1940, from K. E. Walker to J. C. Woodhouse	4177	6379
No. 399—Volume of Brake Fluid Purchased by General Motors Divisions from Moraine Products Division (formerly Delco Products), 1936-1951	4179	6381
No. 400—E. I. du Pont Sales of Cellulose Acetate Molding Powder, 1937 through 1947	4180	6382
No. 401—Memorandum dated June 7, 1939, from H. A. Rosley to J. M. Mack	4181	6383
No. 402—Unsigned handwritten memorandum dated September 19, 1939	4183	6385
No. 403—Unsigned handwritten memorandum, initialled JMM dated October 23	4184	6386
No. 404—Handwritten letter dated 10-30, signed Johnnie Mack to "Stu"	4185	6387



duPont Exhibits:

	Original	Print
No. 421—Sales of Pyralin, 1916 through 1932 (du Pont)	4187	6389
No. 422—Sales of Pyralin, 1946 through 1950 (du Pont)	4188	6390
No. 423—Extract from Minutes of Executive Committee Meeting #20, December 20, 1915 (du Pont)	4189	6391
No. 424—Excerpt from The Arlington Company Monthly Report to Executive Committee of E. I. du Pont de Nemours & Co., month of January, 1916	4192	6394
No. 425—Excerpt from The Arlington Company Monthly Report to Executive Committee of E. I. du Pont de Nemours & Co., month of February, 1916	4194	6396
No. 426—Excerpt from The Arlington Company Monthly Report to Executive Committee of E. I. du Pont de Nemours & Co., month of June, 1916	4197	6399
No. 427—Excerpt from The Arlington Company Monthly Report to Executive Committee of E. I. du Pont de Nemours & Co., month of October, 1916	4201	6403
No. 428—Excerpt from Minutes of Executive Committee Meeting #145, July 2, 1917, E. I. du Pont de Nemours & Company	4205	6409
No. 429—Memorandum dated January 22, 1918, from Lam-mot du Pont to Mr. Gudger, et al.	4209	6410
No. 430—Excerpt from Pyralin Department Report for October 1923	4211	6413
No. 431—Extract from Minutes of Meeting #6 Board of Directors, Du Pont Viscoloid Company, August 18, 1925	4212	6414
No. 432—Extract from Minutes of Meeting #13, Board of Directors, Du Pont Viscoloid Company, February 23, 1926	4215	6417
No. 433—Excerpt from "Du Pont Viscoloid Company, November 1926"	4219	6420
No. 434—Excerpt from "Pyralin Department Report, September 1924"	4220	6422
No. 435—Extracts from Minutes of Meeting #11, Board of Directors, Du Pont Viscoloid Company, December 22, 1925	4224	6426
No. 436—Letter dated October 3, 1927, from Zack Phelps to James Lynah	4226	6428
No. 437—Letter dated October 6, 1927 from James Lynah to Z. Phelps	4227	6429
No. 438—Excerpt from letter of H. Fletcher Brown to Mr. F. K. Kielberg, Managing Director, United Molasses Company, Ltd., dated July 24, 1929	4228	6430

## duPont Exhibits:

	Original	Print
No. 439—Excerpt from Minutes of Meeting of Interdivisional Relations Committee, General Purchasing Committee, General Motors Corporation, September 30, 1927	4229	6431
No. 441—Sales of Ammonia and Ammonia Products to New Departure Manufacturing Company and Successors, 1933 through 1938	4230	6432
No. 442—Value of 1947 Shipments du Pont vs. Total United States Industries in which du Pont Participates	4231	6433
No. 443—Growth in Net Sales, du Pont and 27 Chemical Companies with Sales over \$20,000,000 in 1948	4232	6434
No. 444—Paints and Varnishes, Dollar Value of Shipments—du Pont vs. Total Industry, 1939 vs. 1947	4233	6435
No. 445—Sales, by Department, to General Motors Corporation compared with Total Departmental Sales, 1938 through 1941; 1946 through 1948	4234	6436
No. 447—Sales of Brake Fluid (du Pont) Years 1936-1950, inclusive	4235	6437
No. 448—Petition, power of attorney and specification to the Commissioner of Patents by Don Kyle Proffitt and Joel George Sharron dated May 11, 1926	4236	6438
No. 449—Memorandum dated February 16, 1932, from President, Viscoloid Company, to Executive Committee, du Pont	4242	6444
No. 451—Sales of Products New to the Company since 1928 (Year 1950) (du Pont)	4243	6445
No. 452—Application of Proceeds of 7½% 10-Year Bonds, issued May 1, 1921, for Permanent Financing of Outstanding Obligations (du Pont)	4244	6446
No. 453—Undated Memorandum signed by Pierre S. du Pont	4245	6447
No. 454—Letter dated August 28, 1923, from Irene du Pont to Finance Committee	4247	6449
No. 455—Letter dated October 27, 1923, from Alfred P. Sloan, Jr., to The Common Stockholders of General Motors Corporation	4249	6451
No. 456—"Investment in General Motors Corporation Common Stock" from Minutes of Meeting of the Board of Du Pont March 21, 1932	4257	6459
No. 457—Excerpt from Minutes of Meeting #513 of the Finance Committee (du Pont) May 15, 1933	4258	6460
No. 458—Excerpt from Minutes of Meeting #428 of the Finance Committee (du Pont) November 4, 1929	4260	6462

duPont Exhibits:		Original	Print
No. 459—Memorandum dated March 5, 1937, entitled "In re General Motors Securities Company"		4261	6463
No. 460—Memorandum dated April 26, 1918, from R. R. M. Carpenter to M. D. Fisher		4263	6465
No. 461—Letter dated October 6, 1922, from Dunham Body Company to E. I. du Pont de Nemours Co.		4264	6466
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No. 225—Letter dated October 2, 1926, initialled JLP to Lammot du Pont	5079	7281
No. 226—Letter dated October 25, 1926, initialled JLP to Lammot du Pont	5081	7283
No. 227—Letter dated January 29, 1931, from "Chairman of the Board" initialled LduP to John Pratt	5082	7284
No. 228—Letter dated February 6, 1931, from J. L. Pratt to Lammot du Pont	5084	7286
No. 229—Extract from Minutes of Executive Committee Meeting (GMC) January 21, 1932	5087	7289
No. 230—Letter dated August 12, 1926, from W. F. Harrington to John L. Pratt	5089	7291
No. 231—Letter dated August 13, 1926, initialled JLP to W. F. Harrington	5091	7293
No. 232—Letter dated December 29, 1925, initialled JLP to W. B. Foster (du Pont)	5092	7294
No. 233—Letter dated July 31, 1929, from E. G. Biechler to J. L. Pratt	5093	7295
No. 234—Letter dated August 2, 1929, initialled JLP to E. G. Biechler	5094	7296
No. 235—Letter dated September 28, 1931, from E. G. Biechler to J. L. Pratt	5095	7297
No. 236—Letter dated October 6, 1931, from W. F. Harrington to John L. Pratt	5097	7299

General Motors Exhibits		Original	Print
No. 237—Extract from minutes of the meeting of the Executive Committee (GMC) August 8, 1930		5098	7300
No. 238—Extract from minutes of meeting of the Finance Committee (GMC) September 8, 1930		5099	7301
No. 239—Letter dated August 25, 1931, from E. G. Robinson (Kinetic Chemicals, Inc.) to J. L. Pratt		5102	7304
No. 240—Letter dated August 28, 1931, initialled JLP to E. G. Robinson		5105	7307
No. 241—Excerpts from an address by C. F. Kettering		5106	7308
No. 242—Letter dated April 16, 1919, from Frank A. Howard to E. M. Clark		5111	7313
No. 243—Letter dated August 15, 1919, unsigned, to John Marshall (du Pont)		5115	7317
No. 244—Letter dated December 23, 1919, from E. H. Kelly (GMC) to W. C. Durant		5120	7322
No. 245—Letter dated April 8, 1920, from F. O. Clements to C. F. Kettering		5123	7325
No. 246—Letter dated November 19, 1921, from L. du Pont to C. F. Kettering		5126	7328
No. 246a—United States Letters Patent No. 1,787,419		5128	7330
No. 247—Telegram dated August 23, 1922, from "Midgley" to Doctor E. H. Bolton (du Pont)		5130	7332
No. 248—Telegram dated August 24, 1922, from W. S. Harrington to Midgley		5131	7333
No. 249—Telegram dated August 25, 1922, from W. F. Harrington to Midgley		5132	7334
No. 250—Letter dated November 13, 1922, from Norman Roberts to Thomas Midgley, Jr.		5133	7335
No. 251—Letter dated November 18, 1922, initialled TM to Dr. Norman Roberts		5136	7338
No. 252—Memorandum dated November 20, 1922, from Thomas Midgley to C. F. Kettering		5137	7339
No. 253—Letter dated December 18, 1922, from Walter G. Whitman (Massachusetts Institute of Technology) to Thos. Midgley, Jr.		5140	7342
No. 254—Letter dated Nov. 30, 1922, from E. Krause (Institute of Technology—Berlin) to "Esteemed Herr Professor"		5141	7343
No. 255—Memorandum dated February 2, 1923, from T. Midgley, Jr. to C. F. Kettering		5143	7345
No. 256—Memorandum dated April 9, 1923, by Thomas Midgley, Jr. re Atlantic Refining Company		5144	7346
No. 256A—United States Letters Patent No. 1,697,245		5149	7351
No. 257—Memorandum dated November 26, 1923, from J. H. Senior, et al. to E. M. Clark, et al.		5151	7353
No. 258—Memorandum dated June 18, 1924, (unsigned)		5154	7356
No. 259—Memorandum dated June 18, 1924, initialled EMC		5157	7358



## General Motors Exhibits

	Original	Print
No. 261—"Proceedings of a Conference to Determine Whether or Not There is a Public Health Question in the Manufacture, Distribution, or Use of Tetraethyl Lead Gasoline" by the Surgeon General, U. S. Public Health Service	5138	7360
No. 262—"The Use of Tetraethyl Lead Gasoline in its Relation to Public Health" by the Surgeon General, U. S. Public Health Service	5176	7376
No. 263—Diagram illustrating "Savings Equal to Gasoline Consumed by All Vehicles in 25 States"	5201	7400
No. 266—Diagram illustrating "Percent Increase or Decrease from 1925"—Trends in Passenger Car Engine Design	5202	7401
No. 267—Memorandum dated June 19, 1922, from H. C. Mougey to "Mr. Clements"	5203	7402
No. 267A—Extract from Minutes of Meeting of General Motors Board of Directors September 25, 1919	5206	7405
No. 268—Letter dated June 15, 1926, from E. W. Webb to J. N. Huff (American Research Laboratories, Inc.)	5210	7409
No. 269—Unsigned letter dated June 15, 1926 to Gilbert A. Currie (Dow Chemical Company)	5211	7410
No. 270—Unsigned letter dated June 30, 1926, to T. B. Huff (American Research Laboratories, Inc.)	5213	7412
No. 271—Letter dated July 9, 1926, from T. B. Huff to E. W. Webb	5216	7415
No. 272—Letter dated August 26, 1926, from "President" to T. B. Huff	5217	7416
No. 273—Letter dated October 7, 1926, from "President" to Harold H. Healy	5219	7418
No. 274—Letter dated April 21, 1927, from Frank A. Howard to William Benham (Department of Justice)	5222	7421
No. 277—Letter dated July 2, 1936, from Cesare Protto (du Pont) to E. W. Webb	5235	7434
No. 278—Letter dated February 8, 1938, from "Edward" to E. I. du Pont de Nemours & Company	5237	7436
No. 279—The Dow Chemical Company Research Report on Lead Tetraethyl Process	5238	7437
No. 280—The Dow Chemical Company Research Report on Tentative Process for Tetra Ethyl Lead	5256	7455
No. 281—United States Letters Patent No. 1,805,756	5265	7464
No. 282—Dow Chemical Company Report dated April 18, 1931	5271	7470
No. 283—Unsigned, undated "Memorandum"	5272	7474
No. 284—Memorandum re "Reasons why we should not manufacture lead tetra ethyl and reasons why we should manufacture tetraethyl lead"		

General Motors Exhibits		Original	Print
No. 285—C. E. Wilson Employment History with General Motors Corporation		5277	7476
No. 286—Excerpt from Minutes of Joint Meeting of Operations and Executive Committees (GMC) July 17, 1930		5279	7478
No. 287—Memorandum dated August 25, 1930, from C. E. Wilson to J. L. Pratt		5281	7480
No. 288—Excerpt from Minutes of Finance Committee Meeting (GMC) September 8, 1930		5283	7482
No. 289—Excerpt from Minutes of Joint Meeting of Operations and Executive Committees (GMC) March 12, 1931		5285	7484
No. 290—Excerpt from minutes of Finance Committee Meeting (GMC) March 23, 1931		5289	7488
No. 291—Excerpt from Minutes of Executive Meeting (GMC) April 9, 1931		5291	7490
No. 292—Memorandum dated June 11, 1931, from C. E. Wilson to Operations Committee		5293	7492
No. 293—Excerpt from Minutes of Executive Committee Meeting (GMC) October 29, 1931		5296	7495
No. 294—Undated Memorandum from W. F. Armstrong to J. L. Pratt, et al.		5299	7498
No. 295—Memorandum dated December 17, 1931, from C. E. Wilson to Operations Committee		5301	7500
No. 296—Excerpt from Minutes of Finance Committee Meeting (GMC) September 12, 1932		5303	7502
No. 299—Letter dated December 13, 1948, from Melville C. Williams (Department of Justice, Chicago) to Ferris E. Hurd		5305	7504
No. 300—Letter dated December 17, 1948, from Willis L. Hotchkiss (Department of Justice, Chicago) to Ferris E. Hurd		5309	7508
No. 301—Letter dated December 20, 1948, initialled FEH to Melville C. Williams (Department of Justice, Chicago)		5312	7511

[fol. 1]

**IN UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS**

**SCHEDULE A**

**Amended List of Defendants**

**Amended**

1. Irene du Pont, Granogue, Delaware.

\* \* \* \* \*

2. IRENE SOPHIE DU PONT MAY, Granogue, Delaware.

3. Ernest Nugent May, Granogue, Delaware.

4. Ernest Nugent May, Jr., Granogue, Delaware.

5. Irene du Pont May, Granogue, Delaware.

D 6. Thomas Henry May, a minor, Granogue, Delaware.

D 7. John Eric May, a minor, Granogue, Delaware.

\* \* \* \* \*

8. MARGARETTA DU PONT GREENEWALT, Greenville, Delaware.

9. Crawford Hallock Greenewalt, Greenville, Delaware.

10. Nancy Greenewalt Frederick, Greenville, Delaware.

11. David Greenewalt, Greenville, Delaware.

D 12. Crawford Hallock Greenewalt, Jr., a minor, Greenville, Delaware.

\* \* \* \* \*

13. CONSTANCE DU PONT DARDEN, Charlottesville, Virginia.

14. Colgate Whitehead Darden, Jr., Charlottesville, Virginia.

15. Colgate Whitehead Darden, III, Charlottesville, Virginia.

D 16. Pierre Samuel du Pont Darden, a minor, Charlottesville, Virginia.

D 17. Irene Sophie du Pont Darden, a minor, Charlottesville, Virginia.

\* \* \* \* \*



[fol. 2]

- 18. ELEANOR DU PONT RUST, Thomasville, Georgia.
- D 19. Philip Goodenow Rust, Jr., a minor, Thomasville, Georgia.
- D 20. Francis Gurney du Pont Rust, a minor, Thomasville, Georgia.
- D 21. Henry Rust, a minor, Thomasville, Georgia.
- D 22. Richard Cutts Rust, a minor, Thomasville, Georgia.

\* \* \* \* \*

- 23. MARIANA DU PONT SILLIMAN, Montchanin, Delaware.
- 24. Henry Harper Silliman, Montchanin, Delaware.
- 25. Henry Harper Silliman, Jr., a minor, Montchanin, Delaware.
- 26. Doris du Pont Silliman, a minor, Montchanin, Delaware.
- 27. Eleanor Howland Silliman, a minor, Montchanin, Delaware.
- 28. Mariana du Pont Silliman, a minor, Montchanin, Delaware.
- 29. Robert Morris Silliman, a minor, Montchanin, Delaware.

\* \* \* \* \*

- 30. OCTAVIA MARY DU PONT BREDIN, Greenville, Delaware.
- 31. John Bruce Bredin, Greenville, Delaware.
- D 32. Stephanie Sophie du Pont Bredin, a minor, Greenville, Delaware.
- D 33. Margaretta Starrett Bredin, a minor, Greenville, Delaware.

[fol. 3]

\* \* \* \* \*

- 34. LUCILE DU PONT FLINT, Greenville, Delaware.
- 35. Robert Barnett Flint, Greenville, Delaware.
- D 36. Robert Barnett Flint, Jr., a minor, Greenville, Delaware.
- D 37. Peter Hubbard Flint, a minor, Greenville, Delaware.
- D 38. Alice Lucile Flint, a minor, Greenville, Delaware.
- D 39. Henry Alexis Flint, a minor, Greenville, Delaware.

D 40. Constance Evelina Flint, a minor, Greenville, Delaware.

\* \* \* \* \*

41. IRENEE DU PONT, JR., 5 Fern Road, Charleston, West Virginia.

\* \* \* \* \*

42. NATALIE DU PONT EDMONDS, Wilmington, Delaware.

43. George Phippen Edmonds, Wilmington, Delaware.

44. George Phippen Edmonds, Jr., a minor Wilmington, Delaware.

45. Andrew Wilson Edmonds, a minor, Wilmington, Delaware.

\* \* \* \* \*

46. MARY DU PONT FAULKNER, 255 Goddard Avenue, Brookline, Mass.

47. Herbert Kimball Faulkner, 255 Goddard Avenue, Brookline, Mass.

D 48. Elise du Pont Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass.

D 49. Emily Morison Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass.

[fol. 4]

D 50. Charles Stearns Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass.

D 51. Rosemary Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass.

D 52. Henry Belin Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass.

D 53. Andrew Gray Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass.

\* \* \* \* \*

54. ESTHER DU PONT WEIR, Rockland, Delaware.

\* \* \* \* \*

55. LAMMOT DU PONT, JR., Wilmington, Delaware.

D 56. Lammot du Pont, III, a minor, Wilmington, Delaware.

D 57. William Foster du Pont, a minor, Wilmington, Delaware.

• • • • •

58. PIERRE SAMUEL DU PONT, III, Rockland, Delaware.

D 59. Pierre Samuel du Pont, IV, a minor, Rockland, Delaware.

D 60. Jane de Doliete du Pont, a minor, Rockland, Delaware.

D 61. Michele Wainwright du Pont, a minor, Rockland, Delaware.

• • • • •

62. EDITH DU PONT RIEGEL, Montchanin, Delaware.

D 63. Edith du Pont Riegel (Jr.), a minor, Montchanin, Delaware.

D 64. Richard Eveland Riegel, Jr., a minor, Montchanin, Delaware.

D 65. John Ely Riegel, a minor, Montchanin, Delaware.

D 66. Natalie Margaret Riegel, a minor, Montchanin, Delaware.

[fol. 5]

• • • • •

67. ALEXANDRINE DU PONT PERKINS COLLIER, Wilmington, Delaware.

• • • • •

68. REYNOLDS DU PONT, Wilmington, Delaware.

69. Katharine Lewars du Pont, Wilmington, Delaware.

D 70. Katharine du Pont, a minor, Wilmington, Delaware.

D 71. Reynolds du Pont, Jr., a minor, Wilmington, Delaware.

D 72. Thomas Lewars du Pont, a minor, Wilmington, Delaware.

• • • • •

73. DAVID FLETT DU PONT, a minor, Wilmington, Delaware.

• • • • •



74. WILLIS HARRINGTON DU PONT, a minor, Wilmington,  
Delaware.

75. S. HALLOCK DU PONT, Wilmington, Delaware.

76. Virginia Simmons du Pont, Wilmington, Delaware.

77. Eve du Pont Remer, Whitemarsh, Pennsylvania.

D 78. S. Hallock du Pont, Jr., a minor, Wilmington, Delaware.

D 79. William Kemble du Pont, a minor, Wilmington, Delaware.

D 80. Richard Simmons du Pont, a minor, Wilmington, Delaware.

81. PAULINA DU PONT DEAN, Montchanin, Delaware.

82. Junius Simpson Dean, Montchanin, Delaware.

[fol. 6]

83. WILHELMINA DU PONT ROSS, Montchanin, Delaware.

84. Donald Peabody Ross, Montchanin, Delaware.

85. HENRY BELIN DU PONT, Wilmington, Delaware.

86. Margaret du Pont Smith, Snuff Mill Road, Kennett Square, Pennsylvania.

87. Henry Belin du Pont, III, a minor, Wilmington, Delaware.

88. Edward Bradford du Pont, a minor, Wilmington, Delaware.

89. Margaretta du Pont Carpenter, Montchanin, Delaware.

90. LOUISA CARPENTER JENNEY, Wilmington, Delaware.

91. IRENE CARPENTER KITCHELL MORGAN, Montchanin, Delaware.
92. Renee Kitchell Lickle, Montchanin, Delaware or Wilmington, Delaware.
- D 93. Margaretta Lammot Kitchell, a minor, Montchanin, Delaware.
- D 94. Nancy Gardiner Kitchell, a minor, Montchanin, Delaware.
- D 95. Carol Victoria Kitchell, a minor, Montchanin, Delaware.
- D 96. Leslie Halsey Kitchell, a minor, Montchanin, Delaware.

\* \* \* \* \*

97. ROBERT RULIPH MORGAN CARPENTER, JR., Montchanin, Delaware.

D 98. Robert Ruliph Morgan Carpenter, III, a minor, Montchanin, Delaware.

[fol. 7]

D 99. Mary Kaye Carpenter, a minor, Montchanin, Delaware.

D 100. William Kemble Carpenter, a minor, Montchanin, Delaware.

\* \* \* \* \*

101. WILLIAM KEMBLE CARPENTER, Montchanin Delaware.

D 102. Belle Morgan Carpenter, a minor, Montchanin, Delaware.

103. LAMMOT DU PONT COPELAND, Greenville, Delaware.

104. Pamela Cunningham Copeland, Greenville, Delaware.

D 105. Lammot du Pont Copeland, Jr., a minor, Greenville, Delaware.

D 106. Louisa d'Andelot du Pont Copeland, a minor, Greenville, Delaware.

D 107. Gerret Van Sweringen Copeland, a minor, Greenville, Delaware.

\* \* \* \* \*

108. MARY BELIN LAIRD DOWNS, Wilmington, Delaware.

109. WILLIAM WINDER LAIRD, JR., Wilmington, Delaware.

\* \* \* \* \*

110. ALEETTA LAIRD DOWNS, Wilmington, Delaware.

\* \* \* \* \*

111. WILHELMINA LAIRD CRAVEN, Wilmington, Delaware.

\* \* \* \* \*

112. ROSA LAIRD HAYWARD, Wilmington, Delaware.

\* \* \* \* \*

113. Hugh Rodney Sharp, Wilmington, Delaware.

\* \* \* \* \*

[fol. 8]

114. HUGH RODNEY SHARP, JR., Greenville, Delaware.

\* \* \* \* \*

115. BAYARD SHARP, Centerville, Delaware.

\* \* \* \* \*

116. Wilmington Trust Company, Du Pont Building, Wilmington, Delaware.



APPEARANCES

49 C 1971

49 C 1971

ATTORNEYS

FOR PLAINTIFF

Willis L. Hotchkiss,  
203 S. LaSalle St., 400 U.S. Court  
Suite 826  
Room  
Ce 6-6886  
E. Houston Harsha  
Ewart Harris  
Earl A. Jinkinson

FOR DEFENDANT

Snyder, Chadwell & Fagerburg,  
135 S. LaSalle St.,  
(Atty for U.S. Rubber Co.)

Pope & Ballard,  
120 S. LaSalle St.,  
Rm 6-6680  
(Atty for General Motors Co.)

Edward Kaitert  
11 S. LaSalle St.,  
Sta 2-5400

\* Morris, Olson & Trexler & ---  
\* Mark H. Hayton,  
135 S. LaSalle St.,  
(Atty for Individual Class Defts.)  
& The Class Defendants

Root, Ballantine, Marlan, Bushby  
& Palmer  
Richard Layton & Finger  
DuPont Building,  
Wilmington 41, Delaware

Frederick W. Wood &  
Arthur, Dry & Dole,  
1230 Sixth Ave., 20,  
New York,

Berl Potter & Anderson,  
Wilmington, Delaware  
(Atty for Wm. Winder Laird, Jr.  
et al

William Poole  
948 Delaware Trust Bldg.,  
Wilmington, Delaware,  
Attys for certain individual  
Class Defendants

\* Morris, Steel, Nichols & Arsht  
Alexander L. Nichols (see above for  
3018 DuPont Building, local counsel  
Wilmington, Delaware  
Attys for remaining Class Defts

Robert H. Richards  
4072 DuPont Bldg.,  
Wilmington, Delaware  
Atty for Wilmington Trust Co. OVER

ANDREW J. DAINSTREAM

Guardian ad litem for  
the following minor defts.:

Thomas Henry May  
John Eric May  
Crawford Hallock Greenewalt, Jr.,  
Pierre Samuel du Pont Darden  
Irene Sophie duPont Darden  
Philip Goodenow Rust, Jr.,  
Frances Gurney du Pont Rust  
Henry Rust  
Richard Cutts Rust  
Henry Harper Silliman, Jr.,  
Doris duPont Silliman  
Eleanor Howland Silliman  
Mariana du Pont Silliman  
Robert Morris Silliman  
Stephanie Sophie duPont Bredin  
Margaretta Starrett Bredin  
Robert Barnett Flint, Jr.,  
Peter Hubbard Flint  
Alice Lucile Flint  
Henry Alexis Flint  
Constance Eveline Flint

HOWARD ELLIS & A. LESLIE HODSON,

Guardian ad litem for following minor defts.

George Phippen Edmonds, Jr.,  
Andrew Wilson Edmonds  
Elise du Pont Faulkner  
Emily Morison Faulkner  
Charles Stearns Faulkner  
Rosemary Faulkner  
Henry Belin Faulkner  
Andrew Gray Faulkner  
Lamot du Pont, III  
William Foster duPont  
Pierre Samuel duPont, IV  
Jene de doliete du Pont  
Michele Wainwright duPont  
Edith duPont Riegel (Jr)  
Richard Eveland Riegel, Jr.,  
John Ely Riegel  
Natalie Margaret Riegel  
Katherine duPont  
Reynolds du Pont, Jr.,  
Thomas Lewars du Pont  
David Flett du Pont  
Willis Harrington duPont

CLAUDE A. ROTH,

Guardian ad litem for the following minor defts

S. Hallock duPont, Jr.,  
William Kemble du Pont  
Richard Simmons du Pont  
Henry Belin du Pont, III  
(Above list continued on  
other side of page)

( Winston, Strawn, Black & Towner,  
Guy A. Bladson, for  
38 South Dearborn St.



## ATTORNEYS

Claude A. Roth  
Gottlieb & Schwartz,  
231 S. LaSalle St.,  
(Guardian ad litem for certain  
of the class defendant minors-

Andrew J. Dallstream,  
Dallstream, Schiff, Stern & Hardin  
231 S. LaSalle St.,  
(Guardian ad litem for certain of  
the class defendant minors

Howard Ellis  
A. Leslie Hodson  
Kirkland, Fleming, Green, Martin & Ellis  
33 N. LaSalle St.,  
(Attys for Guardian ad litem for  
certain of the class defendts minors

HOWARD NEITZERT  
Sidley, Austin, Burgess & Smith  
11 S. LaSalle St.,  
(attys for Pierre S. duPont - Irene  
duPont- Lammot duPont- Christian  
Securities Co., Delaware Realty &  
Investment Corp. & E. I. duPont de  
Nemours & Co.  
~~Moore, Olson & Trexler - (Withdrawn)~~  
~~135 S. LaSalle St.,~~  
~~(Attys for Morris, Steel, Nichols &~~  
~~Arent, 3018 duPont Bldg., Wilmington, Del~~

~~S. R. Barton~~  
~~Palmer House - Room 1609 W~~

Mark H. Clayton  
Moore, Prangle & Clayton  
105 W. Adams St. (3)  
Ra 6-7060  
(Attys. for The Adult Beneficiary  
defts. Pierre S. Du Pont III, Colgate  
Whitehead Darden, Jr., Lammot du  
Pont Copeland, George P. Edmonds  
and Harry B. duPont )

(For Henry Belin du Pont III)  
Claude A. Roth Atty-of Counsel  
Harry E. Smoot  
231 S. LaSalle St (4)  
And 3-1188



## DOCKET ENTRIES

D. C. Form No. 106 A

JUDGE LADD  
CALENDAR

49C 1071

DOCKET

TITLE OF CASE

49C 1071

UNITED STATES OF AMERICA

Plaintiff

vs.

E. I. du Pont de Nemours and Company;  
General Motor Corporation;  
United States Rubber Company;  
Christiana Securities Company;  
Delaware Realty & Investment Corporation;  
Pierre S. duPont;  
Lamont du Pont;  
Irene du Pont

Defendants

\* SEE PREVIOUS PAGE FOR ATTENDED LIST OF DEFTS

Basis of action: Vio. of Secs. 1 and 2 of the Sherman Act and  
Sec. 7 of the Clayton Act.

Jury trial claimed by

19

For Plaintiff:

Melville G. Williams--  
Willis L. Hotchkiss  
Suite 826, 208 S. LaSalle St.,  
CE. 6-6886

For Defendant:  
CHADWELL & FAGERBURG  
135 S. LaSalle St.,

Pope & Ballard  
120 S. La Salle St. Ren 6-6680

HOWARD HARTZ  
11 S. LaSalle St., Ste 2-500  
Root, Ballantyne, Harlan, Bushby &  
Palmer

Richards, Layton & Finger  
DuPont Bldg.

Wilmington 41, Delaware

Frederick W. Wood, & Arthur, Dr.  
& Dole, 1230 Sixth Ave., N. Y. 20

DATE	PLAINTIFF'S ACCOUNT	RECEIVED	DISBURSED	DATE	DEFENDANT'S ACCOUNT	RECEIVED	DISBURSED
				3-21-50	P+B Appert 180	5.00	
				APR 20 1950	MARCH REPORT		5.00
				4-21-50	P+B. Jan. 1950	27.35	
				JUL 20 1950	JUNE REPORT		27.35

## ABSTRACT OF COSTS

TO WHOM DUE

AMOUNT

## RECEIPTS, REMARKS, ETC.

Opinion of 12/3/54 reported at  
176-Fed Supp. 235  
adv Shur 1-31-55 126-2 P 235



49C1071

DATE	FILINGS - PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
6-30-49	Filed complaint and ( ) copies (65)(JS-5)	15.00		
7-1-49	Filed Motion. (2)			
" " "	Enter order for issuance of summonses to non-resident defts-DRAFT - LaBuy, J. (2)			
7-11-49	Mld. notice to attys. 7-12-49 (U.S. Marshal Delaware jb)			
7-11-49	Issued (3) summonses and copies with copies of complaint. (2)			
7-14-49	Filed summons ret'd. served as to United States Rubber Co., E. I. Du Pont DeNemours and Co., General Motors Corp. 3 services \$6.12			
7-21-49	Filed summons ret'd. served as to Lemmot De Pont. 1 serv. \$2.06			
" " "	Filed summons ret'd. served as to Christiana Securities Co. \$2.06			
" " "	Filed summons ret'd. served as to Delaware Realty & Investment Corp. 1 serv. \$2.06			
" " "	Filed summons ret'd. served as to Irenae De Pont. 1 serv. \$2.06			
" " "	Filed summons ret'd. served as to Pierre S. De Pont 1 serv. \$2.06 P			
7-29-49	Filed Stip. (2)			
" " "	By stip. time of defts. to file answer or motions extd. to Oct. 1, 1949 - DRAFT - LaBuy, J. (1)			
" " "	Mld. notice to attys. 8-1-49 jb			
9-30-49	Filed Notice and Motion to Transfer Action to District of Delaware and Supporting Affidavits. (3)(30) jb			
" " "	Filed Brief in Support of Motion to Transfer. (19) jb			
10-11-49	Filed Stip. (2)			
" " "	By stip., time in which pltf. may file brief in opposition to defts' motion to transfer extd. to 10-20-49 and defts. to file their reply brief on or before 10-31-49-DRAFT-LaBuy, J. (1)			
10-20-49	Mld. notice to attys. 10-14-49 jb			
10-20-49	Filed Notice and Proof of Service. (3)			
" " "	Filed Brief of Pltf. in Opposition to Defts' motion to Transfer Action (40)			
" " "	Filed Affidavits of Willis L. Hotchkiss, et al in Opposition to Mo. to Transfer. (28) jb			
10-21-49	Filed Notice re: substitutions to plft's. brief. (1)			
" " "	Filed Proof of Service of substitutions. (2) P			
10-26-49	Filed Stip. (1)			
" " "	Ord. on stip. time of defts. to file reply br. in support of motion to transfer extended to Nov. 15, 1949-DRAFT-LaBuy, J. (1)			
" " "	Mld. notice to attys. 10-27-49 P			
11-15-49	Filed Notice re: Reply memo. (3) P			
11-23-49	Ord. re defts. to transfer cause to Dist.Ct. of Delaware, etc., set for argt. Dec. 2, 1949, at 9 A.M.-LaBuy, J. r			
" " "	Mld. note. to attys., 11-23-49.			
11-28-49	By agrmt. hrg. on motion to transfer reset from Dec. 2, 1949 to Dec. 9, 1949 at 9:00 a.m. - LaBuy, J. jb			
" " "	Mld. notice to attys. 11-30-49			
12-9-49	Cause called for hrg. On motion of Atty. Ferris Hurd, Gerhard A. Gesell of Washington, D. C. and John M. Harlan admitted to practice in this Court for purposes of this cause. Arguments hrd. and conclud. and advmt. on deft's. mo. to transfer cause to Delaware-LaBuy, J. P			
" " "	Mld. notice to attys. 12-13-49			



D. C. 110A

42 C 1071

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DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
12-14-49	Flid. Note. (1)			
" " "	Ord. lv. to fl. instant. on 1. affidavit of Pierre S. du Pont, et al-DRAFT-LaBuy, J. (1)			
" " "	Mld. notice to attys. 12-20-49.			
" " "	Flid. Affidvt. of Pierre S. du Pont, et al. (2) r			
1-26-50	Filed Memo. of Judge LaBuy. (8)			
" " "	Mo. of drfts. to transfer cause to District of Delaware overruled - LaBuy, J.			
" " "	Mld. notice to attys. 1-27-50			
1-27-50	Flid. Trans. Proceedings had Dec. 9, 1949. (47) r			
2-1-50	Filed Notice of Motion. (1)			
" " "	Arguments hrd. on motion for an order to fix date for filing of drfts' answers to complt. and lv. is granted to drfts. to fl. motions to complt. within 45 days and answers to complt. within 90 days of this date-La Buy, J. Mld. notice to attys. 2-2-50 P			
3-13-50	Filed Notice & Cumulative and Alternative Motions of Defendant General Motors Corporation to Strike Complaint or Portions Thereof, and to Require Plaintiff to File a More Definite Statement. (1)(6) r			
3-21-50	Filed Petition for appeal and assignment of errors. (2)			
" " "	Order allowing appeal to U. S. Supreme Court and fixing appeal bond in the sum of \$250.00-DRAFT-LaBuy, J. (2)			
" " "	Appeal bond in sum of \$250.00 approved-LaBuy, J. Mld. notice to attys. 3-21-50			
" " "	Filed Bond for costs on appeal. (2)			
" " "	Filed statement as to Jurisdiction and memo of Jan. 26, 1950 attached. (20)			
" " "	Filed statement directing attention to Rule 12. (1)P			
3-24-50	Filed br. of General Motors Corp. in support of its motions to strike complt. (7)			
3-24-50	Filed Notice re: br. of General Motors. (1)P			
3-24-50	Filed Citation ret'd. served as to U. S. A. (2)			
" " "	Filed Proof of Service. (1)			
3-24-50	Filed Petition for Transcript of Record. (4)P			
3-24-50	Filed Stip. re: substitution of pages in br. (1)P			
3-24-50	Filed Stip. (1) MAR 2 1950			
" " "	By stip. time within which pltf. may file its brief in opposition to cumulative and alternative motion of General Motors to strike complt. extd. to Apr. 28, 1950 - DRAFT-LaBuy, J. (1)			
" " "	Mld. notice to attys. 4-4-50			
" " "	Filed Motion for Imposing Jurisdiction and Motion to Dismiss of Affirm - (11)r			
" " "	Filed Stip. making correction in appellee's statement of Jurisdiction and Motion to Dismiss of Affirm - (2) L			
" " "	Filed Stip. (1) L			
" " "	On stip. extd. the date for answer of United States Rubber Co. to and including May 15, 1950 -DRAFT-LaBuy, J. (1)L			
" " "	Mld. notice to attys. 4-21-50. L			

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DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
4-21-50	Mailed Transcript of Record on Appeal to U. S. S. C. P		27 35	pd
4-26-50	Filed Answer of Defendants Christiana Securities Co. Delaware Realty & Investment Corp. et al (29) (book form)			
4-26-50	Filed Answer of E. I. duPont de Nemours & Co. (39) K			
4-26-50	Filed Proof of Service of answers (1) k.			
4-27-50	Filed Notice & Proof of Service (2)			
4-27-50	Filed Plaintiff's more definite statement under Rule 12 (e) with respect to par. 18 of the Complaint (2) K			
4-27-50	Filed Plaintiff's Brief in opposition to the Defendant General Motors Cumulative etc motions (23)			
5-1-50	Filed Stipulation (1)			
5-1-50	Order on stipulation extending time for filing Reply Brief on motion to strike etc to and including May 26, 1950 - DRAFT- LaBUY, J. (1)			
	Mailed notice to attorneys 5-3-50 K.			
5-15-50	Filed Notice. (1)			
" " "	Order on motion of deft., United States Rubber Company, for an extension of time to June 14, 1950 for filing of its answer to the Complaint-DRAFT-LaBuy, J. (1)			
	Mld. notice to attys. 5-22-50 P			
5-26-50	Filed Notice. (1)			
" " "	Filed Reply br. of General Motors Corp. in support of its cumulative and alternative motions to strike complt. (28)			
6-14-50	Filed Answer of United States Rubber Co. (11) K			
6-16-50	Filed Appearance of United States Rubber Co. by its attorneys Snyder, Chadwell & Fagerburg K			
	JUN 30 1950			27 35
7-21-50	Fld. Mandate U.S.S.C. It is ordered that the Appeal herein be dismissed. L			
8-2-50	Issued C. C. of Mandate of U.S.S.C. fld. 7-21-50 to Antitrust Div., Dept., of Justice. L	1 00	US	
10-3-50	<del>On the court's motion cause removed from the trial call of Oct. 6, 1950, and placed on the list of cases ready and awaiting trial - Campbell, Jr. -</del> Mld. notice to attys. 10-4-50 ERROR SEE 49 C 1017			
3-14-51	Filed Memorandum of Judge LaBuy. (2)			
" " "	Motion of deft. General Motors Corp. to strike complt. overld. Motion of said deft. to strike portions of complt. sustained in part and overruled in part and motion of said deft. for more definite statement overld-LaBuy, J. Mld. notice to attys. 3-16-51. P			
3-2-51	Filed Stip. (1)			
" " "	On stip. time to answer extd. to and including April 16, 1951-LaBuy, J. P			
	Mld. notice to attys. 3-23-51. P			
3-2-51	Filed Appearance of Howard Neitzert as attorney for certain Defendants -Pierre S. duPont, Lamby DuPont et al (1)k.			
3-2-51	Filed Notice. (2)			
" " "	Filed Answer of deft. General Motors Corp. (26)P			
3-10-51	Filed Deposition from Court Reporter, Wilmington, Del. (One large carton placed in Room 780) K			
3-10-51	Filed Stip. re: deposition of Irene Du Pont. (2)P			
				14



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16-43786-1

DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
10-16-51	Filed Notice. (2)			
" " "	Filed Interrogatories propounded by pltf. (4)			
10-19-51	Filed Notice of filing deposition of Pierre S. Du Pont (3)B			
10-24-51	Filed Notice & Proof of service (2)			
10-24-51	Filed Interrogatories propounded by Plaintiff (5) K.			
10-29-51	Filed Depositions of Dr. Edgar Clay Britton and Earl W. Bennett K.			
11-5-51	Filed Notice. (2)			
" " "	Filed Interrogatories propounded by pltf. to E. I. du Pont de Nemours and Co. (6)P			
11-8-51	Filed Answer of Pierre S. DuPont to Interrogatories (6)			
11-8-51	Filed Answer of Lamont Du Pont to Interrogatories (10)			
11-8-51	Filed Answer of Irene DuPont to Interrogatories (13)			
11-8-51	Filed Answer of Pierre S. DuPont, Irene DuPont and Lamont DuPont to Interrogatories (2 & Exhibits attached) K			
12-5-51	Filed Notice of Motion of discovery etc (3) K.			
12-7-51	Filed Notice & Proof of service (2)			
12-7-51	Filed Interrogatories propounded by plaintiff to General Motors Corp. (5)			
12-10-51	Filed Proof of Service (1) K.			
12-17-51	Filed Objections to Interrogs. & Affidvt. in Support (11)			
12-18-51	Filed Notice (1)			
" " "	Filed Notice of Motion for Discovery and Production, etc. (2)			
" " "	By agrmt. pltf's. motion for discovery and production of documents under Rule 34 by General Motors Corp. allowed-La Buy, J.			
" " "	Cause set for tr. Nov. 18, 1952-DRAFT-LaBuy, J. (1)			
" " "	Mtd. notice to attys. 12-26-51			
12-19-51	Filed Notice of Motion to Each of Defts. (2) JB			
12-26-51	Filed Brief in support of Objections to Interrogatories propounded by pltf. to General Motors Corporation. (27)			
12-27-51	Filed Answer of deft. Delaware Realty and Investment Corp. to interrogatories. (Exhibits attached) (9)			
" " "	Filed Answer of deft. Christiana Securities Co. to Interrogatories and Exhibits attached. (9)			
1-3-52	Filed Stip. re: time to answer interrogs. (2)			
1-7-52	Filed Notice re: filing of pltf's. brief in opposition to objections made to interrogs. (2) P			
1-7-52	Filed Pltf's. brief in opposition to Objections made by deft. Genl. Motors Corp. to the Interrogs. propounded by the pltf. (18) P			
1-14-52	Filed Reply Brief of General Motors Corp. in support of Objections to Interrogatories. (10)P			
1-15-52	Filed Notice of filing Reply Brf. of Gen. Motors Corp. (1)P			
1-17-52	Filed Answers of E. I. Du Pont De Nemours and Co. to Interrogs. (12)			
" " "	Filed Stip. re: Production of Documents. (6) P			
2-1-52	Filed Notice. (1)			
" " "	Filed Answer of General Motors Corp. to Interrogatories propounded by pltf. (5) Schedules attached.			



DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
2-18-52	Filed Notice & Proof of service (2) K.			
2-25-52	Filed Stipulation (2) K			
2-28-52	Filed Notice			
2-28-52	Filed Affidavit of Pierre S. duPont in opposition to Plaintiff's petition for issuance of order to show cause (4)			
3-4-52	Filed Petition for Order to Show Cause, with Affidvt., by U.S. Argts. hd. on petn for issuance of ord to show cause directed to members of deft. class & advmt. Lv. to plf. to fl.brf. in 15 ds. & lv. to defts. to fl. reply within 10 ds. there-after - LaBuy, J.			
" " "	Mld. note. to attys., 3-5-52.			
3-7-52	Filed Answers of E. I. Du Pont De Nemours and Co. to Interrogatories. (17) P			
3-13-52	Filed Notice to take Depositions upon oral Examination and Proof of Service (4)			
3-13-52	Issued 5 Certified copies of notice to take Dep. to Antitrust Division, Dept. of Justice k			2.00 US
3-21-52	Filed Notice & Proof of Service (2)			
3-21-52	Filed Plaintiff's Brief in support of petition for issuance of show cause orders (39) K.			
3-31-52	Filed Notice (1)			
3-31-52	Filed Reply Memorandum On behalf of defts Pierre S. duPont Lamot du Pont and Irene du Pont in opposition to pltf's petn for issuance of orders to Show Cause d			
4-4-52	Filed Notice of Motion For Issuance Of Trial Subpoena To LaMont DuPont, Affidavit In Support Of Motion & Proof Of Service and Affidavits (1) (7) d			
	Filed Deposition of Irene DuPont. (797)			
	Filed Defendants Exhibits.			
	Filed Deposition of Irene DuPont and Government's Exhibits (in 2 volumes) P			
4-14-52	Filed Notice Of Filing Of Deposition Of Irene DuPont (3) d			
4-16-52	Filed Notice, Motion for issuance of trial subpoenas as to certain defts. and Affidavit in support of Motion and Proof of Service. (9) P			
4-22-52	Filed Signed copy of Letter dated April 10, 1952 from Mr. John M. Harlan to Mr. Willis E. Hotchkiss (2)			
4-22-52	Order Motion for an order that trial subpoena be issued to Eleanor du Pont Rust & Paulina du Pont Dean entered & continued to May 20, 1952 by agreement - LaBuy, J.			
4-22-52	Order that trial subpoena be issued to Lamot du Pont DRAFT- LA BUY, J. (1)			
	Mailed notice to attys 4-24-52 K.			
	Issues O.C. of ord. entd. Apr. 22, 1952, directing that subpoena be issued for Lamot de Pont to Anti Trust Div., Dept. of Justice. ious.			
	Filed Depositions for Pltf. JB			
5-20-52	Arguments heard on mo pltf that trial subpoena issue to Eleanor DuPont Rust and Paulina DuPont Dean and said mo. allowed Draft -Ent. ord. with respect to documents etc. to be produced pursuant to subpoenas duces tecum Draft LaBuy, J.			
	Mld ntc to attys 5-21-52			

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D. C. 119A

Aug. 8, 1952

DATE	FILED - PROCEEDINGS			
8-20-52	Filed Summons returned served as to following:			
	Irene duPont	2.10		
	Paulina duPont Dean	2.10		
	Junius Simpson Dean	2.10		
	Margaretta duPont Carpenter	2.10		
	Robert Ralph Morgan carpenter, Jr.,	2.10		
	Louisa Carpenter Jenney	2.10		
	Irene Carpenter Kitchell Morgan	2.10		
	William Kemble Carpenter	2.10		
	Hugh Rodney Sharp, Jr.,	2.10		
	Wilhelma duPont Ross	2.10		
	Donald Peabody Ross	2.10		
	George Paippen Edmonds, Jr.,	4.20		
	Andrew Wilson Edmonds	2.00		
	Lamont duPont, III	2.00	K	
8-21-52	Filed Deposition of Alfred P. Sloan, Jr.			K
8-25-52	Filed Stipulation	(2)		
8-25-52	Order on stipulation that time of defendants, joined as additional parties defendant pursuant to order of Court dated July 28, 1952 to answer, plead or otherwise move be extended to Sept. 20, 1952 - DRAFT - LA BUY, J.	(1)		
8-27-52	Mailed notice to attys 8-26-52			K
8-27-52	Filed Summons returned served as to following:			
	Philip G. Rust, a minor	2.00		
	Eleanor duPont Rust	2.00		
	Richard Curtis Rust	17.00		
	Henry Rust, a minor	2.00		
	Francis G. duPont Rust	2.00		
	David Fleet duPont	2.60		
	Willis Harrington duPont	2.00		
	William Frederick Jr., and			
	Margaretta duPont Greenwalt	4.70		
	Crawford Hallock Greenwalt	2.00		
	Hancy Greenwalt Frederick	2.00		
	David Greenwalt	2.00		
	Crawford Hallock Greenwalt, Jr.	2.00		
	Belle Morgan Carpenter	2.00		
	Irene Sophie duPont May	3.10		
	Ernest August May	2.00		
	Thomas May May	2.00		
	John Eric May	2.00		
	Maria Maria Riegel, Jr.,	2.00		
	John Ely Riegel	2.00		
	Estelle Margaret Riegel	2.00		
	Henry Balin duPont	3.50		
	Henry Balin duPont III	2.00		
	Edward Bradford duPont	2.00		
	Pierre Samuel duPont IV	2.80		
	Jane de Doliete duPont	2.00		
	Nichols Walmeright duPont	2.00		
	Eve duPont Reher	2.10		
	Ernest August May, Jr.	3.40		
	Irene duPont May	3.80		
	Richard Ireland Riegel, Jr.,	2.00		
8-27-52	Filed Summons returned not found as to Margaret duPont	6.00	K	



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11-27-52

DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED BY DEBITMENT SETLINGS
		PLAINTIFF	DEFENDANT	
8-27-52	Filed Notice of filing of Deposition of Alfred P. Sloan, Jr. (3) K			
8-29-52	Filed Notice (1)			
8-29-52	Filed Brief of Defendant General Motors Corp. in reply to plaintiffs brief in support of its obj. to interrogatories of General Motors Corp. (31) K			
9-10-52	Filed notice and Proof of Service of pliff' reply Brief (1) (1) ab			
9-10-52	Filed Plaintiffs Reply Brief In Support Of Its Objections To Interrogatories Of General Motors Corporation - LaBay, J			
9-12-52	Filed Summons returned served on (5) d			
	S. Hallock DuPont 2.60			
	Virginia Admons duPont 2.60			
	S. Hallock duPont, Jr., 2.00			
	William Kemble duPont 2.00			
	Richard Simmons duPont 2.00			
	Mariana duPont Silliman 2.00			
	Henry Harper Silliman 2.00			
	Henry Harper Silliman, Jr., 2.00			
	Doris duPont Silliman 2.00			
	Eleanor Howland Silliman 2.00			
	Marian duPont Silliman, a minor 2.00			
	Robert Morris Silliman 2.00			
	Lucile duPont Flint 3.40			
	Robert Barnett Flint 2.00			
	Robert Barnett Flint, Jr., 2.00			
	Peter Hubbard Flint 2.00			
	Alice Lucile Flint 2.00			
	Henry Alexis Flint 2.00			
	Constance Evelyn Flint 2.00			
	Margaret duPont Smith 2.10			
	Lamont duPont Copeland, Jr., 3.40			
	Louisa D'AndeLot duPont Copeland 2.00			
	Gerret Van Sweringen Copeland 2.00			
	Octavia Mary duPont Bredin 3.20			
	John Brace Bredin 2.00			
	Stephanie Sophie duPont Bredin 2.00			
	Eugh Rodney Sharp 2.10			
	Margaretta Starrett Bredin 2.00 K			
9-15-52	Filed Notice, Amended Answer of depts Christiansa Securities Co. Delaware Realty & Invest Copr., Pierre S. Du Pont & Irene du Pont, Amended Answer of E.I. Du Pont De Nemours and Company (2) (3) (2)			
9-15-52	Filed Notice and Mot. of Mo for Discovery & Production of Documents under Rule 34 (2) (9)			
9-15-52	Filed notice and Interrogatories propounded by pltf to the First Wilmington Trust Co. (2) (9) ab			
9-17-52	Filed Interrogatories propounded by Plaintiff to General Motors Corp. (set two) (3 Exhibit attached)			
9-17-52	Filed Notice and Proof of Service (2) K			
9-18-52	Filed Answer of Henry Harper Silliman to amended complt. (5)			
	Answer of Martha duPont Silliman to amende complt (5)			
	Ans. of Jessie Cunningham Copeland to amended complt. (5)			
	Ans. of Lamar duPont Copeland to amended complt. (10) K			



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DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
5-23-52	Issued 2 C. C. of order on Pltff's. motion that subpoenas duces tecum issue to class defts., etc. to Willis L. Hotchkiss, etc. P		.20 US	
5-29-52	Filed Memorandum of Judge LaBuy. (4)			
" " "	Petition and motion of Govt. for issuance of Rule to Show Cause denied-LaBuy, J. Mtd. notice to attys. 6-2-52. P			
6-6-52	Filed Memorandum of Judge LaBuy (165) d			
6-10-52	Filed witness subpoena retd served on Lamont DePont -\$ .90 d			
6-16-52	Mtd. Photostatic copy of Memorandum to Attorney General. 12.00 US			
6-18-52	Filed Notice & Proof of Service (1) K.			
6-18-52	Filed Motion for Pre trial Conference etc (7)			
6-19-52	Filed Interrogatories propounded by Defendant General Motors Corp. (5)			
6-19-52	Filed Notice (2) K.			
6-23-52	Objections of defendant General Motors to certain interrogs sustained in part and overruled in part, etc - DRAFT-(2) LA BUY, J.			
6-24-52	Mailed notice to attys 6-24-52 K.			
6-24-52	Filed Motion for Pre trial Conference & Agenda for consideration at pre trial conference (7)			
6-24-52	Order pre trial conference held - LaBUY, J. Mailed notice to attys 6-25-52 K.			
30-52	Copy of Memorandum sent to Atty General 1.50 US			
7-3-52	Filed Notice and Proof Of Service			
7-3-52	Filed Plaintiff's Motion For Leave To Amend The Complaint (Copy Of Amendment attached ) (2) d			
7-22-52	Filed Plaintiff's motion to appoint Guardian Ad Litem (8)			
7-22-52	Filed Notice & Proof of service (2)			
7-28-52	Filed Motion for issuance of summons to non resident defts. (9)			
7-28-52	Filed Memorandum in opposition to Plaintiff's Motion for leave to amend the Complaint (10)			
7-28-52	Order to issue summons to defendants residing outside of the State - DRAFT- LA BUY, J. (1)			
7-28-52	Motion to appoint guardians Ad Litem for defendant minors entered and continued generally on motion of Plaintiff - LaBuy, J.			
7-28-52	Order granting Plaintiff leave to file an amendment to Complaint - DRAFT- LaBUY, J. (1 and Amendment to Complaint attached to draft order)			
7-30-52	Mailed notice to attys 7-30-52 K.			
7-31-52	Filed Notice to take depositions upon oral examination and Proof of service (2)			
7-31-52	Filed Notice (1)			
7-31-52	Filed Answer of General Motors Corporation to interrogatories propounded by Plaintiff (9) K.			
7-31-52	Filed Notice and Proof of service (2)			
7-31-52	Filed Interrogatories propounded by Plaintiff to United States Rubber Co. (9)			
7-31-52	Issued 2 certified copies of Notice etc to Antitrust Div. K. 1.00 US			
7-31-52	Filed Summons returned served on Irene DePont 6.00 US			
8-8-52	Filed Objections to interrogatories etc			
8-8-52	Filed Notice and Proof of service (2) K.			



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16-42756-1

DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
8-8-52	Filed Pltf's Brief in support of the objections to Interrogatoires of the deft Gen'l Mtrs Corp. (5) SB			
8-15-52	Filed 3rd party summons returned served as to Colgate Whitehead Darden, Jr., 2.00			
8-15-52	Filed 3rd party summons returned served re Constance du Point Daedeh 2.00			
8-15-52	Filed 3rd party summons returned served re: Emily M. Faulkner 2.00			
8-15-52	Filed Summons returned served-Elmie DuPont Faulkner 2.00			
8-15-52	Filed 3rd party summons returned served re: Irene du Pont Darden, a minor 16.20			
8-15-52	Filed 3rd party summons returned served Colgate Whitehead Darden III 2.00			
8-15-52	Filed Summons returned served on Mary-du Pont Faulkner 2.00			
8-15-52	Filed 3rd Party summons returned served on Pierre Samuel du Pont Darden, a minor 2.00			
8-15-52	Filed summons returned served on Charles Stearns Faulkner 2.00			
8-15-52	Filed Summons returned served Rosemary Faulkner 2.00			
8-15-52	Filed Summons returned served on Andrew Gray Faulkner 2.00			
8-15-52	Filed Summons returned served on Herbert Kimball Faulkner 2.20			
8-15-52	Filed Summons returned served on Henry Belia Faulkner, a minor 2.00 K.			
8-20-52	Filed Summons returned served Re: Thomas Leward duPont 2.00			
	Reynolds du Pont, Jr., 2.00			
	Katherine duPont 2.00			
	William Foster duPont 2.00			
	Renee Kitchell Lickle 2.00			
	Margaretta Lammet Kitchell 2.00			
	Carol Victoria Kitchell 2.00			
	Leslie Halsey Kitchell 2.00			
	Nancy Gardiner Kitchell 2.00			
	Robert Ralph Morgan Carpenter III. 2.00			
	Mary Kaye Carpenter 2.00			
	William Kemble Carpenter 2.00			
	Mary B. Laird Downs 2.10			
	William Winder Laird, Jr., 2.10			
	Aleetta Laird Downs 2.10			
	Wilhelmina Laird Craven 2.10			
	Rosa Laird Hayward 2.10			
	Lamont duPont Copeland 2.10			
	Pamela Cunningham Copeland 2.10			
	Natalie du Pont Edmonds 2.10			
	George Phippen Edmonds 2.10			
	Lamont duPont Jr., 2.10			
	Pierre Samuel duPont, III, 2.10			
	Edith duPont Riegel 2.10			
	Alexandrine duPont Perkins 2.10			
	Collier 2.10			
	Reynolds duPont 2.10			
	Katherine Lewars du Pont 2.10			
	Bayard Sharp 2.10			
	Esther duPont Weir 2.10			
	Wilmington Trust Co. 2.10 K.			

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D. C. MOA

49 C 1071

10-42750-1

DATE	FILINGS—PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
9-19-52	Filed Ans. of Wilhelmina Laird Craven to amended complt. (5) Ans. of Mary Belin Laird Downs to amended complt. (5) Ans. of Rosa Laird Hayward to amended complt. (5) Ans. of Alletta Laird Downs to amended complt. (5) Proof of Service of all above answers attached to answers as listed above also Answer of William Laird Jr. to amended Compl. (5) (1) K			
9-19-52	Filed Ans of Wilmington Trust Co. to amended Compl. (8)			
9-19-52	Filed Notice and Proof of service of Atty Gen. (2)			
9-19-52	Filed Petition for appointment of Guardians as Litem (4) K			
9-19-52	Filed Appearance of The individual Class Defts - K.			
9-19-52	Filed appearance of The Class Defendants K.			
9-19-52	Order for discovery and Production of Documents under Rule 34- DRAFT- LA BUY, J. (1 with Schedule attached) Mailed notice to attys 9-24-52 K.			
9-23-52	Filed. Notice, and Answers of United States Rubber Company to Interrogs. Propounded by Plaintiff. (2) (12)			
" " "	Filed. Memorandum of the Court. (5) r			
9-24-52	Filed. Appearance of Wilmington Trust Company, Deft., & Guy A. Gladson, Winston, Strawn, Black & Towners as addl. attys. r			
9-24-52	Filed Notice & Proof of Service (2)			
9-24-52	Order appointing Guardians pursuant to Court's memorandum opinion of September 25, 1952- DRAFT- LA BUY, J. (2)			
9-24-52	Mailed notice to attys 9-30-52 K.			
10-13-52	Filed Amendment To Answer Of United States Rubber Co. (2)			
10-13-52	Filed Affidavit Of Service Of Mailing (2) d			
10-15-52	Filed Answer of Wilmington Trust Co. to interrogatories (6 and Exhibit A to E inc. 37 pages ) k.			
10-16-52	Filed. Photostatic copy of Memorandum filed 9-23-52 to the Attorney General, Wash., D. C. P	1	25	US
10-16-52	Filed Notice to Defense Counsel and Guardians Ad Litem. (4)			
10-16-52	Filed Plaintiff's Pre-trial Brief. (17) P			
10-16-52	Filed Answer of Bayard Sharp to amended Complaint (5)			
10-16-52	Filed Answer to amended complaint as follows: Of Irene Dupont (5) Irene Sophie Du Pont May (5) Ernest Nugent May (6) Ernest Nugent May, Jr., (5) Irene DuPont May (5) Margaretta DuPont Greenewalt (5) Crawford Hallock Greenewalt (7) Nancy Greenewalt Frederick (5) David Greenewalt (5) Constance DuPont Darden (5) Colgate Whitehead Darden, Jr., (5) Colgate Whitehead Darden, III (5) Eleanor Du Pont Rust (5) Octavia Mary DuPont Bredin (5) John Druce Bredin (5) Lucile DuPont Flint (5) Robert Barnett Flint (5) Irene Du Pont, Jr., (5) Natalie DuPont Edmonds (5) George Phippen Edmonds (5) K.			



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16-42756-1

DATE	FILINGS—PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
10-20-52	Filed Answer to Amended Complaint by followings: Mary DuPont Faulkner (5) Herbert Kimball Faulkner (5) Esther DuPont Weir (3) Lamont DuPont, Jr., (5) Pierre Samuel DuPont, III (7) Edith DuPont Riegel (5) Alexandrine DuPont Perkins Collier (5) Reynolds DuPont (5) Katherine Lewars Du Pont (5) S. Hallock DuPont (6) Virginia Simmons DuPont (5) Eve Du Pont Remer (5) Paulina DuPont Dean (5) Junius Simpson Dean (5) Wilhelmina Du Pont Ross (5) Donald Peabody Ross (5) Henry Belin Du Pont (14) Margaret Du Pont Smith (5) Margaretta Du Pont Carpenter (5) Louisa Carpenter as Louisa Carpenter Jenney (5) Irene Carpenter Kitchell Morgan (5) Renee Kitchell Lickle (5) Robert Rulph Morgan Carpenter, Jr., (6) William Kemble Carpenter (6) Hugh Rodney Sharp (5) Hugh Rodney Sharp, Jr., (6) K.			
10-20-52	Filed Proof of Service (2) K.			
10-21-52	Issued 6 Alias Summons and copies to following: Elise du Pont Faulkner, Emily Morrison Faulkner Charles Sterns Faulkner Rosemary Faulkner, Henry Belin Faulkner and Andrew Gray Faulkner K.			
10-23-52	Filed Clerks copy of transcript of proceedings before Judge LaBuy on April 22, 1952 by official court reporter (11)			
10-23-52	Filed Clerks copy of transcript of proceedings before Judge LaBuy on May 20, 1952 by official court reporter (17)			
10-23-52	Filed Clerks copy of transcript of proceedings before Judge LaBuy on June 25, 1952 by official court reporter (49)			
10-23-52	Filed Clerks copy of transcript of proceedings before Judge LaBuy on July 28, 1952 by official court reporter (29) K.			
10-24-52	Filed Notice Of Motion For Issuance Of Trial Subpoenas And Proof Of Service			
10-24-52	Order that a trial subpoena issue to two individuals as listed who reside at a distance greater than 100 miles from place of trial Draft- LaBuy, J			
10-24-52	Mtd nte to attys 10-27-52			
10-24-52	Issued 4 Alias Summons and copies to following: Philip Goodenow Rust, Jr., Francis Gurney du Pont Rust, Henry Rust and Richard Cutte Rust K.			

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D. C. 110A

49 C 1071

DATE	FILINGS-PROCEEDINGS	CLASSIFICATION		FILING FEE	RECEIPT NO.
		PLAINT	DEFENSE		
10-29-52	Filed summons retnd served on (5) Henry Belin Faulkner, a minor \$2.00 Emily Morison Faulkner, a minor 3.40 Andrew Gray Faulkner, a minor 2.00 Elise du Pont Faulkner, a minor 2.00 Rosemary Faulkner, a minor 2.00 Charles Stearns Faulkner, a minor 2.00  All 5 summons's served by Marshal in the city of Brookline Massachusetts sb				
10-31-52	Filed summons retd served on Richard Cutts Rust at Thomasville Ga 1 serv \$6.00 d				
11-3-52	Filed Deposition of Lucius Douglas Tompkins 3				
10-31-52	Issued summons & copy on Henry Rust, minor mg				
10-31-52	Issued CC of complt and also order & amendment to complt entered & filed 7-28-52 by Anti-Trust Div. Dept of Justice 6.80 US				
11-3-52	Filed notice (3)				
11-3-52	Filed Ans of Gen'l Motors to interrogs propounded by pltf (Set Two) (38) sb				
11-5-52	Filed witness subpoena retd served on Eleanor DuPont Rust 1 serv 1.70 d				
11-6-52	Filed Witness Subpoena ret'd. served as to Pauline duPont Dean. 1 serv. \$1.30 P				
11-10-52	Filed Witness subpoena ret'd servd as to Lawrence P. Fisher \$2.50 sb				
11-12-52	Filed Witness Subpoena ret'd. served as to F. B. Davis, Jr.				
" " "	Filed Notice. (3)				
" " "	Filed Motion for leave to file amended returns of service. (3)				
" " "	Enter order granting leave to file amended returns of service on certain minor defts- DRAFT-LaBuy, J. (1) Mtd. notice to attys. 11-14-52. P				
11-14-52	Filed 48 summons as to minor defendants with amended return endorsed thereon ret'd. served. \$115.20 P				
11-13-52	Trial Brf for defendants filed (103) sb				
11-14-52	Filed Notice (3)				
11-14-52	Filed Trial Brief Of United States Rubber Company (34)				
11-14-52	Filed Notice of Motion (1)				
11-14-52	Order confirming prior appointment of Guardians Ad Litem for 48 Minor defts and reappointing Guardians Ad Litem for 10 minor defts Draft- LaBuy, J				
11-17-52	Filed notc of documentary material to be used during trl of action and proof of service (15)				
11-17-52	Filed notc of documentrary material to be use during trlor action and proof of service (15) sb				
11-17-52	Filed ans of Andrew J. Dallstree Guardian ad litem for certain minor defts (2)				



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16-42780-1

DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN JUDGMENT RETURNS
		PLAINTIFF	DEFENDANT	
11-17-52	Filed appearance of Andrew J. Dallstream (1)			
" "	" Note to defense counsel & guardian ad litem & Proof of service. (3)			
11-17-52	Filed notice, appearance & ans of certain minor debts (6)			
" "	Filed notice (3)			
" "	" appearance & ans of certain minor debts (1) (2)			
11-17-52	Filed Note (2)			
" "	" Appearance of Claude A. Roth (1)			
" "	" Ans for certain minor debts (2)			
11-17-52	Filed notice (2)			
" "	" Pre-tri brf of Gen'l Mtrs Corp(original) (48) sb			
11-17-52	Govt's objections to interrogatories sustd in part and overruled in part - LaBuy, J			
	Mld ntc to attys 11-19-52 d			
11-18-52	Cause called for trial Opening statements hd in part and trial adjourned to Nov 19, 1952 - LaBuy, J			
	Mld ntc to attys 11-19-52 d			
11-17-52	Letter of Judge LaBuy dated November 17, 1952 to attys of record d			
11-19-52	Further opening statement hd & trl adjourned to Nov. 20, 1952 at 10 a.m.-LaBuy			
	Mld. notice to attys.			
11-20-52	Further opening statements hrd. and tr. adjourned to Nov. 21, 1952-LaBuy, J.			
	Mld. notice to attys. 11-21-52. P			
11-21-52	Filed Summons ret'd. Not Found as to Henry Rust.			
" "	Filed Notice of Filing Depositions. (3)			
" "	Filed Notice of Motion for Issuance of Trial Subpoenas. (5)			
" "	Enter order on Pltfs. motion order that Writs of Subpoena issue to 31 persons as listed in Appendix A, all of whom reside at a distance in excess of 100 miles from place of trial-DRAFT-LaBuy, J. (1) & Appendix			
" "	Further opening statements hrd. and trial adjourned to Nov. 24, 1952-LaBuy, J.			
	Mld. notice to att.s. 11-24-52. P			
11-24-52	Further opening statements hd and trial adjourned to Nov. 25, 1952 - LaBuy, J			
	Mld ntc to attys 11-25-52 d			
11-25-52	Opening statement concl'd & tr adjourned to Dec. 1, 1952 - LaBuy, J			
	Notice mld to attys 11-16-52 sb			
12-1-52	Filed Motion of Jos. P. Savare for lv to enter appearance (2)			
12-1-52	Arguments heard on motion of J.P. Savare for leave to appear, pro se, as a party in interest, taken under advamt. and lv to file brfs in 10, 10 and 10 days. DRAFT On motion of pltf trial adjourned to 1-5-53. - LaBuy, J.			
	Mailed notice to attys 12-2-52 H			
12-1-52	Filed Notice of Motion (2)			
12-8-52	Filed Stipulation (1)			
12-8-52	Order per stipulation requiring pltf answer General Motors Interrogatories before January 2, 1953, except interrog No. 2, (c) Draft - LaBuy, J			
	Mld ntc to attys 12-9-52 d			



D. C. 110A

49 C 1071

16-4750-1

DATE	FILINGS--PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
12-11-52	Filed notice (2)			
12-11-52	Filed objns of Gen'l Mtrs corp to motion of Joseph P. Savage for lv to intervene (1)			
12-11-52	Filed objns of Defts to motion of Joseph P. Savage for lv to intervene, and brf in support of objns & proof of service (10) sb			
12-11-52	Filed Pltfs objn to motion filed by Joseph P. Savage, Pro Se (1)			
12-11-52	Filed notice and proof of service (1) sb			
12-11-52	Filed Pltfs brf in support of its objn to motion filed by Joseph P. Savage, Pro Se (8) sb			
12-22-52	Filed Reply Of Joseph P. Savage To Objections Filed By Plaintiff And Two Defendants To H's Motion For Leave To File Appearance (8)			
12-22-52	Filed Proof Of Service Of Reply Of Joseph Savage (2) d			
12-31-52	Filed Subpoena Duces Tecum retnd servd sb			
1-2-53	Filed Proof of Service of Reply Brf (3) sb			
1-2-53	Filed notice (2)			
1-2-53	Filed Reply of General Mtrs Corp to reply of Joseph P. Savage to the objns to his motion for lv to file appearance (15)			
1-5-53	Filed Notice (4) sb			
1-5-53	Filed Answers by Pltff. (8)			
"	Pltfs evidence heard in part & trial adjourned to 1-6-53, LaBuy, J.			
	Mailed notice to attys 1-5-53 H			
1-6-53	Further evid. heard for pltf & trial adjourned to 1-7-53. - LaBuy, J.			
	Mailed notice to attys 1-7-53 H			
1-6-53	Filed Notice & Proof of Service (4)			
1-7-53	Pltfs motion to dismiss certain defts without prejudice served and advisement and parties to file briefs. Further evidence hrd for Pltff and trial adjourned to Jan 8, 1953 LaBuy, J.			
	Mailed notice to attys 1-8-53 d			
	Further evid hrd for pltf & trl adjourned to 1-9-53-LaBuy, J. sb			
	Mailed notice to attys 1-9-53			
	Further evid hrd for pltf & trl adjourned to Jan. 12, 1953-LaBuy, J.			
	Mailed notice to attys 1-12-53 sb			
	Further evid hrd for pltf & trl adjourned to Jan 13, 1953-LaBuy, J.			
	Mailed notice to attys 1-13-53 sb			
1-14-53	Further evidence heard for pltf & trial adjourned to 1-14-53. - LaBuy, J.			
	Mailed notice to attys 1-14-53 H			
1-15-53	Further evidence heard for pltf & trial adjourned to 1-15-53. - LaBuy, J.			
	Mailed notice to attys 1-15-53 H			



JAN 1953

16-43756-1

DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
1-15-53	Filed Proof Of Service (2)			
1-15-53	Further evid. heard for pliff and trial adjourned to Jan 16, 1953 - LaBuy, J			
1-15-53	Wld ntc to attys 1-15-53			
1-15-53	Filed Motion (to dismiss Complaint without prejudice as to Ir see duPont Jr) (1)			
1-15-53	Filed Amended Complaint and Corrected Galley Proof Of Amended Complaint			
1-15-53	Filed Suggestion Of Death Of Lamont DuPont (1)			
1-15-53	Enter consent order dismissing 48 minor defts with pre-judice (Draft)			
	Lv to Pltff to file Galley proof of amended complaint etc Draft			
	Leave to file amended complaint instanter Draft			
	Lv to file suggestion of death of deft Lamont duPont instanter. Further evidence heard for pliff and trial adjourned to Jan 19, 1953 at 10: A.M. - LaBuy, J			
	Wld ntc to attys 1-19-53			
1-19-53	Further evid. heard for pliff and trial adjourned to 1-20-53 - LaBuy, J			
1-20-53	Notice to attys 1-20-53			
1-20-53	Filed Notice (First List Of General Motors Defendants' Proposed Trial Exhibits attached) (2) (2)			
1-20-53	Further evid. hd. for pliff. Lv to defts to answer amended complaint on or before Feb 5, 1953. Lv to adult beneficiary et al to file motions under Rule 41b, of F.R.C.P. and supporting brief on or before Feb 2, 1953. Lv to pliff to file answering brief on or before Feb 9, 1953 and cause set for Feb 11, 1953 for argts on said motions. Pltff rests Defts motion to dismiss taken under advisement and ruling reserved and trial adjourned to Feb 16, 1953 - LaBuy, J			
	Wld ntc to attys 1-21-53			
	Filed Memorandum by Judge LaBuy			
	Enter pre-trial order Draft - LaBuy, J			
	Motion of Joseph P. Savage for lv to intervene, denied - LaBuy, J			
	Wld ntc to attys 1-22-53			
	Filed Motion re First List Of DuPont Defts Proposed Trial Exhibits (11)			
	Wld ntc to attys of Francis B. Davis Jr 216.02			
	Filed Motion re Proof Of Service (1)			
	Filed Motion re Defense Counsel And Guardians ad litem & (3)			
	Filed Motion re J. Bellstream Guardian ad litem For Defts To The Complaint Herein As Amended To Jan 11, 1953 (2)			
	Filed Motion re Suggestion of Death of Lamont Du Pont to attract Division.			
	Filed Motion re order dismissing 48 minor defts. to attract Division.			
		10 US		
		20 US		

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D. C. 110A

49 C 1071

10-072-1

DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED BY EMOLLUMENT RETURN
		PLAINTIFF	DEFENDANT	
	Filed Notice and Proof of Service re: Answer of E. I. Du Pont de Nemours & Co. (3)			
	Filed Answer of E. I. Du Pont de Nemours & Co. to Amended Complaint. (3)			
	Filed Notice and Proof of Service. (3)			
	Filed Answer of Christiansa Securities Co., Delaware Investment Co., Pierre S. and Irene Du Pont to Amended Paragraphs of complt. (3)			
	Filed Answer of Wilmington Trust Co. to amended complt. (5)			
	Filed Answer of Wilmington Trust Co. as Trustee of certain trusts to Amended complt. (7)			
	Filed Notice. (1)			
	Filed Answer of deft. U. S. Rubber Co. to dismiss. (1)			
	Filed Notice, Proof of Service and Answer for certain defts to the complt. herein as amended. (5)			
	Filed Notice. (2)			
	Enter order that General Motors Corp's answer filed on April 15, 1951 may stand as its answer to the amended complt. DRAFT. LeBay, J. (1)			
	Mid. ntc to attys. 1-30-53. P			
1-30-53	Filed Amended Complaint (83) H			
1-3-54	Filed Notice (1)			
"	Filed Answer for certain Defts (2) H			
2-2-54	Filed Two motions of Wilmington Tr. Co. (2)(4)			
"	Filed Memo. in support of Mo. of Wilm.Tr.Co. (13)			
"	Filed Notice (1)			
"	Filed Motion for dismissal on behalf of 26 "Beneficiary Defendants" (2)			
"	Filed Brief on behalf of 26 "Benf.Defts" (5)			
"	Filed Notice (3)			
"	Filed Motion of 36 adult defts for dismissal (1)			
"	Filed Memo. for 36 adult defts in support of motion for dismissal (3)			
"	Filed Notice (3)			
"	Filed Amendment to Ans. of U.S. Rubber Co. (2) H			
2-5-53	Filed Answer Of LaMont DuPont Copeland To Amended Complaint filed on 1/16/53 (5)			
2-5-53	Filed Answer of Mariana DuPont Gillman to Amended Complt filed on 1/16/53 (5)			
2-5-53	Filed Stipulation (2)			
2-5-53	Order on stip to extend time for certain defts to answer Amended Complaint to Feb 9, 1953 - LeBay, J			
	Mid ntc to attys 2-9-53			
2-9-53	Filed Answer To Amended Complaint Filed 1/16/1953 by Lucille DuPont Flint, (2) Natalie DuPont Edmonds (2) Mary DuPont Faulkner, (2) Octavia Mary DuPont Dredin, (2) Colgate Whitehead Darden, Jr., (2) Pierre Samuel DuPont, III (2) Henry Belin DuPont, (2) George Phippen Edmonds (2) Irene Sophie DuPont May, (2) Reynolds duPont (2)			



DATE	FILINGS—PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
2-10-53	Margarette DuPont Greenewalt, (3) Constance duPont Derrin. (3) Eleanor duPont Rust, (3) Esther duPont Weir, (3) Lemmot duPont, Jr., (3) Edith duPont Riesel, (3) Alexandrine duPont Perkins Collier, (3) Margaret DuPont Smith (3) Filed Proof Of Service (2)			
2-10-53	Filed Notice Re Plt's brf in reply to brf in behalf of 26 Beneficiary Defts etc & Proof of Service			
2-10-53	Filed Notice & Proof Of Service Re Plt's reply memo to Memo of Wilmington Trust Co (1) (3)			
2-10-53	Filed Notice & Proof Of Service Re Plt's reply memo to the memo of 36 adult defts etc (1) (3)			
2-10-53	Filed Memorandum by Judge LaBuy			
2-10-53	Government's motion to dismiss certain defts without prejudice sustained - LaBuy, J Wld ntc to attys 2-13-53 d			
2-11-53	Filed (2) Notices (3) (3) d			
2-13-53	Filed Notice and Proof Of Service Re to dismiss certain defts (4) d			
2-16-53	Enter order leave to withdraw motion under Rule 41(b) to dismiss as to 36 defendants. - LaBuy, J. " Enter order dismissing certain named defts without pre- judice. DRAFT. Enter order overruling certain motions of defts to dismiss amended complaint. DRAFT. - LaBuy, J. " Defts-evidence heard in part and trial adjourned to 2-17-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 2-18-53 H			
2-17-53	Further evidence heard for defts and trial adjourned to 2-18-53 at 10:30 A.M. H Mailed notice to attys 2-18-53 H			
2-18-53	Further Evidence heard for defts & trial adjourned to 2-19-53 at 10:30 A.M. - LaBuy, J. H Mailed notice to attys 2-20-53 H			
2-19-53	Further evidence heard for defts and trial adjourned to 2-20-53 at 10:30 A. M. - LaBuy, J. H Mailed notice to attys 2-20-53 H			
2-20-53	Filed Notice and List of General Motors Exhibits. (2)			
2-20-53	Further evid. hrd. for defts. and trial adjourned to Feb. 24, 1953 at 10:30 a.m.-LaBuy, J. P Wld. notice to attys. 2-24-53.			
2-24-53	Filed (2) Notices (3) (3)			
2-24-53	Further evidence heard for defts and trial adjourned to Feb. 25, 1953 at 10:30 A.M. - LaBuy, J. d Wld ntes to attys 2-25-53			
2-25-53	Further evidence heard for defts and trial adjourned to 2-26-53 at 10:30 A. M. - LaBuy, J. H Mailed notice to attys 2-26-53			
2-28-53	Wld. Copy of Memorandum of 2-10-53 to Attorney General, Wash. D.C.			
		3 00 55		



D. C. 110A

49 C 1071

DATE	FILINGS—PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
2-26-53	Further evidence hrd for defts and trial adjourned to Feb 27, 1953 at 10:30 A.M. - LaBuy, J Mld ntc to attys 2-27-53			
2-27-53	Filed Notice.			
" " "	Further evid. hrd. for defts. and trial adjourned to March 2, 1953 at 10:30 a.m.-LaBuy, J. Mld. notice to attys. 3-2-53.			
3-2-53	Filed Stipulation			
"	Further evidence heard for defts and trial adjourned to 3-3-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 3-3-53			
3-2-53	Order on stip. for return of documents to Mark H. Clayton representing defts, former defts and deposition witnesses. LaBuy, J. Mailed notice to attys 3-3-53			
3-3-53	Further evidence heard for defts and trial adjourned to 3-9-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 3-5-53			
3-9-53	Further evid.hrd for defts and trial adjourned to Mar. 10, 1953 at 10:30 a.m. -LaBuy, J Mld ntc to attys 3-10-53			
1-5-53	Filed Plaintiff's Motion To Amend The Complaint and Proposed Amendment To Complaint (4) (7)			
1-5-53	Enter order amending orders appointing guardians ad litem Draft - LaBuy, J Received and posted Jan 9, 1953 Mld ntc to attys 3-10-53			
3-10-53	Further evid. heard for defts & trial adjourned to March 11, 1953 at 10:30 A.M. LaBuy-J Notice mld to attys. 3-11-53			
3-11-53	Further evid. heard for defts & trial adjourned to Mch 12, 1953 at 10:30			
3-12-53	Further evid. hrd. for defts. and tr. adjourned to March 13, 1953 at 10:30 a.m.-LaBuy, J. Mld. notice to attys. 3-13-53.			
3-13-53	Further evid.hrd.for defts.and tr. adjourned to March 16, 1953 at 10:30 a.m. LaBuy, J Mld.ntc to attys 3-16-53			
3-16-53	Filed Notice.			
" " "	Further evid. hrd. for defts. and tr. adjourned to March 17, 1953 at 10:30 a.m.-LaBuy, J. Mld. notice to attys. 3-17-53.			
3-17-53	Further evid hd. for deft. & trial adjourned to March 18, 1953 at 10:30 A.M. LaBuy, J Mld. ntc. to attys. 3-18-53			
3-18-53	Further evid. hd for defts and trial adjourned to 3-19-53 at 10:30 a.m. LaBuy, J Mld, ntc. to attys. 3-19-53			
3-19-53	Further evid. hd.for defts and trial adjourned to Mar. 20, 1953 at 10:30 a.m. LaBuy, J Mld. ntc to attys 3-20-53			



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DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
3-20-53	Further evidence heard for defts & trial adjourned to March 23, 1953 at 10:30 A.M. LaBuy-J			
3-23-53	Notices mld to attys. 3-23-53 Further evidence heard for defts and trial adjourned to Mch 24, 1953 at 10:30 a.m. LaBuy, J Mld. ntc. to attys 3-24-53			tb d
3-24-53	Further evidence hd for defts. and trial adjourned to March 25, 1953 at 10:30 a.m. LaBuy, J Mld ntc to attys 3-25-53			d
3-24-53	Filed Notice re "Further List Of General Motors Defts" Proposed Trial Exhibits "			(2) d
3-25-53	Further evid. hrd for defts and trial adjourned to Mch 26, 1953 at 10:30 a.m. LaBuy, J Mld ntc to attys 3-27-53			d
3-26-53	Further evid hd for defts and trial adjourned to Mar. 27 1953 at 10:30 a.m. Labuy, J Mld ntc to attys 3-27-53			
3-26-53	Filed Deposition of Charles E. MacShane			d
3-27-53	Further evidence heard for defts and trial adjourned to 3-28-53 at 10:30 A. M. LaBuy, J. Mailed notice to attys 3-30-53			
3-30-53	Further evidence heard for defts and trial adjourned to March 31, 1953 at 10:30 A.M. LABUY, J. Mailed notice to attys. 3-31-53			tb
3-31-53	Further evidence heard for defts and trial adjourned to April 7, 1953 at 10:30 A.M. LaBuy-J Notice mld to attys. 4-1-53			tb
4-1-53	Filed Notice Re Further List Of General Motors Defts' proposed trial exhibits			d
4-2-53	Filed witness subpoena retd not found as to Francis B. Davis Jr			d
4-2-53	Filed Motion of Pltff. Enter order that Clerk issue a subpoena duces tecum to a witness residing out of district and more than 100 miles from place of trial - DRAFT - LaBuy, J. Mailed notice to attys 4-10-53			
4-2-53	Further evidence heard for defts and trial adjourned to 4-8-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 4-10-53			
4-8-53	Further evidence heard for defts and trial adjourned to 4-9-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 4-10-53			
4-9-53	Further evidence heard for defts and trial adjourned to 4-10-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 4-10-53			
4-10-53	Filed Notice and Proof Of Service re "Third List Of Du Pont Defts Proposed Trial Exhibits "			
4-10-53	Filed Notice and Proof Of Service re "Fourth List Of Du Pont Dfets Proposed Trial Exhibits "			
4-10-53	Further evidence hd for defts and trial adjourned to Apr 13, 1953 at 10:00 A.M. - LaBuy, J Mld ntc to attys 4-13-53			
4-13-53	Further evidence hrd for defts & trial adjourned to April 14, 1953 at 10:30 A.M. LaBuy, J. Notice mld to attys 4-15-53			tb



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CAUSE NO.

RE:

## PROCEEDINGS

DATE	PROCEEDINGS				
4-14-53	Further evid hrd for defts & trial adjourned to Apr 15, 1953 at 10:30 A.M. LaBuy-J				
	Notice mld to attys. 4-15-53			tb	
4-15-53	Filed Notice, Proof of Service and Fifth List of Du Pont defts' proposed trial exhibits (4)				
"	Further evidence heard for defts and trial adjourned to 4-16-53 at 10:30 A. M. - LaBuy, J.				
	Mailed notice to attys 4-20-53				
4-15-53	Filed Notice, Proof of Service and Sixth List of De Pont defts' Proposed Trial Exhibits (6)				
4-16-53	Filed Notice, Proof of Service and Supplemental to Sixth List of DuPont defts' proposed Trial Exhibits (4)				
"	Further evidence heard for defts and trial adjourned to 4-17-53 at 10:30 A. M. - LaBuy, J.				
4-17-53	Further evidence heard for defts and trial adjourned to 4-20-53 at 10:30 A. M. - LaBuy, J.				
	Mailed notices to attys 4-20-53			H	
	Further evidence heard for defts and trial adjourned to Apr 21, 1953				
	Further evidence heard for defts and trial adjourned to Apr 22, 1953				
4-22-53	Further evidence heard for defts and trial adjourned to 4-23-53-LaBuy, J.				
	Mailed notice to attys 4-24-53				
4-23-53	Filed Notice and Seventh list of De Pont Defts' proposed trial exhibits (3)				
"	Further evid heard for defts and trial adjourned to 4-27-53 at 10:30 A.M. - LaBuy, J.				
	Mailed notice to attys 4-24-53			H	
4-27-53	Filed Notice and Eighth list of Du Pont Defts' Proposed Trial Exbts(5)				
	Further evidence heard for defts and trial adjourned to 4-28-53 at 10:30 A. M. - LaBuy, J.				
	Mailed notice to attys 4-28-53			H	
4-28-53	Further evidence heard for defts and trial adjourned to 4-29-53 at 10:30 A. M. - LaBuy, J.				
	Mailed notice to attys 4-29-53			H	
5-1-53	Filed Appearance of The Adult Beneficiary defts., Pierre S. du Pont III, Colgate Whitehead, Darden, Jr., Lamot du Pont Copeland, George P. Edmonds and Harry B. du Pont as defts. and Mark H. Clayton of Moore, Prangley and Clayton as attys. P				
4-29-53	Further evid heard for defts & trial adjourned to Apr. 30, 1953 at 10:30 A.M. LaBuy-J				
	Notice mld to attys. 5-1-53			tb	
4-30-53	Further evid hrd for defts. and trial adjourned to May 1, 1953 at 10:30 A.M. LaBuy, J				
	Mld ntc to attys 5-1-53			d	
5-1-53	Further evidence heard for defts & trial adjourned to May 4, 1953 at 10:30 A.M. LaBuy-J				
	Mld notice to attys. 5-4-53			tb	
5-4-53	Further evidence heard for defts & trial adjourned to May 5, 1953. LaBuy-J				
	Notice mld to attys. 5-5-53			tb	
5-5-53	Further evidence hrd for defts & trial adjourned to May 6, 1953. LaBuy-J				
5-6-53	Further evidence hrd for defts & trial adjourned to May 7, 1953. LaBuy-J				
	Notices mld to attys. 5-7-53			tb	



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RE:

DATE	PROCEEDINGS			
5-7-53	Further evidence for debts & trial adjourned to May 8, 1953 at 10:30 A.M. LaBuy-J			
5-7-53	Notices mld to attys. 5-8-53	tb		
5-7-53	Filed subpoena duces tecum ret'd served as to J. P. Morgan & Co. in New York	.70 tb		
5-8-53	Further evid. hrd for debts & trial adjourned to May 18, 1953 at 10:30 A.M. LaBuy-J			
5-12-53	Notice mld to attys. 5-12-53	tb		
5-18-53	Arguments heard on objections of Defts to government's petition for subpoena duces tecum - Leave to parties to file briefs and advisement. Further evidence heard for Defts and trial adjourned to May 19, 1953 at 10:30 AM - LaBuy, J.	L		
5-19-53	Mld ntc to attys 5-19-53 Filed Application s As Guaradian Ad Litem For Allowance Of Compensation for services rendered, Claude A. Roth, Andrew J. Dallstream Howard Ellis and A.L.Hodson (3)			
5-19-53	Enter orders allowing fees to Guardians ad Litem Howard Ellis, A.L.Hodson, Claude A Roth and Andrew J. Dallstream and discharging said persons as Guardians ad Litem for certain named minor debts 3 Drafts - LaBuy, J			
5-19-53	Further evidence hrd for debts and trial adjourned to May 20, 1953 at 10:30 A.M. LaBuy, J	d		
5-20-53	Mld ntc to attys 5-20-53	(2) L		
5-20-53	Filed Notice			
"	Filed Memorandum of General Motors Corporation in Opposition to Motions for Issuance of Subpoenas Duces Tecum (25)			
"	Memorandum on Behalf of the Du Pont Defendants in Opposition to Motion for Issuance of Subpoenas Duces Tecum to E. I. Du Pont De Nemours and Company, General Motors Corporation, and Twenty-One Suppliers of General Motors (24) (4) L			
"	Further evidence heard for debts. and trial adjourned to May 22, 1953 - LaBuy, J.	L		
5-22-53	Mld ntc to atty 5-21-53			
5-22-53	Further evidence heard for debt & trial adjourned to May 27, 1953 at 10:30 A.M. LaBuy-J	tb		
5-25-53	Mld notice to attys. 5-25-53			
5-27-53	Further evidence hrd for debts & trial adjourned to May 28, 1953 at 10:30 A.M. LaBuy-J			
5-28-53	Further evidence hrd for debts & trial adjourned to June 1, 1953 at 10:30 A.M.			
5-28-53	Govt's motion for subpoenas duces tecum allowed in part & denied in part (adv - brfs) LaBuy-J	tb		
5-28-53	Notices mld to attys. 6-1-53			
5-27-53	Filed Notice & exhibits of debts (3)			
5-28-53	Filed Notice & exhibits (3)			
" " "	Filed Notice & exhibits (3)			
" " "	Filed Memorandum (6) tb			
5-7-53	Filed Motion of plfff (4)			
5-18-53	Filed Amended Motion of plfff (4)			
6-1-53	(Above motions received & docketed this date 6/2/53) Further evidence heard for debts & trial adjourned to 6-2, 1953 at 10:30 A.M. LaBuy-J	tb		
6-2-53	Mld notice to attys. 6-2-53			
6-2-53	Filed Subpoena Duces Tecum returned served as to E.I.duPont de Nemours Company	.50		
"	Enter order requiring issuance of subpoena duces tecum to E.I.du Pont de Nemours & Co. etc. DRAFT			



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DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
	Further evidence heard for defts and trial adjourned to 6-3-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 6-5-53			
6-3-53	Further evidence heard for defts and trial adjourned to 6-4-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 6-5-53			
6-4-53	Further evidence heard for defts and trial adjourned to 6-5-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 6-5-53			
6-5-53	Filed Notice (1) " Filed Motion for issuance of trial subpoena (2) " Enter order requiring Clerk to issue subpoena directed to Charles E. Wilson, etc. DRAFT			
	Further evidence heard for defts and trial adjourned to 6-8-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 6-10-53			
6-8-53	Filed Notice (3) " Further evidence heard for defts and trial adjourned to 6-9-53 at 10:30 A. M. - LaBuy, J. Mailed notice to attys 6-10-53			
6-9-53	Further evidence heard for defts and trial adjourned to 6-10-53 at 10:30 A.M. - LaBuy, J. Mailed notice to attys 6-10-53			
6-10-53	Filed Notice " Claude A. Roth discharged as guardian ad litem etc. and leave to enter his appearance for Henry Belin de Pont III and answer to stand. DRAFT			
	Further evidence heard for defts and trial adjourned to 6-11-53 at 10:30 A.M. - LaBuy, J. Mailed notice to attys 6-11-53			
-10-53	Filed Notice re first list of proposed "United States Rubber Company Trial Exhibits" - Exhibits attached (3)(7) " Filed Notice re second list etc. " " (3)(9) " Filed Notice re third list " " (3)(2) " Filed Notice re fourth list " " (3)(1) " Filed Notice re fifth list " " (3)(1)H			
	Further evid. hrd. for defts. and defts. rest. By agreement trial adjourned to June 24, 1953 at 10:30 a.m. - LaBuy, J. Mld. notice to attys. 6-15-53.			
6-15-53	Filed appearance of Claude A. Roth atty for deft Henry Belin du Pont III, and Harry E. Smoot of counsel (1) d			
6-22-53	Filed Motion of pltf re: issuance of subpoenas Enter order on motion directing Clerk of Court to issue subpoenas ad testificandum for certain non-resident defts. DRAFT - Barnes, J. Mailed notice to attys 6-22-53.			
	Filed Subpoena ret'd. served on Edwin W. Farmer .50 Filed Subpoena ret'd. served on Frank C. Anderson .50 Filed Subpoena ret'd. served on Harold Mohr. \$1.70 Filed Subpoena ret'd. served on George Maines \$15.30 Rebuttal evid. hrd. in part and tr. adjourned to June 25, 1953 at 10:30 a.m. - LaBuy, J. Mld. notice to attys. 6-26-53.			



DATE	FILINGS-PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
6-24-53	Filed Subpoena ret'd. served on George Haines. P			
6-24-53	Further rebuttal evid. hrd. trial. adj. to June 26, 1953 at 10:30 A.M. LaBuy-J.			
6-24-53	Mtd. notice to attys. 6-24-53.			
6-24-53	Filed Subpoena ret'd. served on Louis F. Weyand \$1.10 P			
6-24-53	Witness card of Frank C. Anderson pd 43.76			
"	Witness card of George Haines pd 134.38			
"	Witness card of Harold Mohr pd 45.16			
"	Witness card of Louis F. Weyand pd 59.44			
"	Witness card of Edwin W. Farmer pd 43.76			
6-26-53	Further rebuttal evid hrd-pltff rests-trial adjourned to June 29, 1953 at 10:30 A.M. LaBuy-J			
6-30-53	Surrebuttal evid hrd-parties rest & advmt-lv to pltff to fl post trial brf & proposed findgs of fact & concls of law on or before Oct. 1, 1953-lv to defts to fl post-trial brf & proposed findgs of fact & concls of law on or before Nov. 16, 1953-lv to pltff to fl replication on or before Dec. 2, 1953 & cs cont'd for final arg. to Dec. 7, 1953 at 10:30 A.M. LaBuy-J			
	Notice fld to attys. 6-30-53 tb			
6-30-53	Clerk's File Copy of Transcript of Proceedings, volumes 1-24 inc., pp. 1-13,314			
	I Volume of Transcript of proceedings of Dec. 1, 1953			
	Motion for Intervention, 27 pages t			
8-2-53	Filed Post-Trial Stipulation. (28) P			
10-1-53	Filed Notice and Proof Of Service re: admissibility of certain exhibits (3)			
"	Filed Notice and Proof Of Service (3)			
"	On motion pltff and by agreement order extdg the time for filing of briefs and findings of fact Draft - LaBuy, J			
10-2-53	Mtd ntce 10-2-53 d			
10-12-53	Filed Post-Trial Brief For The United States (355) d			
10-12-53	Filed Post-Trial Brief For The United States (777) d			
11-22-53	Filed Two Notices re: Briefs of Government. (2) (2) P			
11-22-53	Filed Brief on behalf of Wilmington Tr Co. (9)			
11-30-53	Filed Notice H			
11-30-53	Filed Two Notices (3) (3)			
11-30-53	Filed Post Trial Brief for defts. Lamot DuPont Copeland, Colgate W. Barden, Jr., Henry B. DuPont, Pierre S. DuPont, III and George P. Edmonds. (9)			
11-30-53	Filed Post Trial Brief for Adult Beneficiary defts. (Complaint, Paragraph 11) (3) P			
11-30-53	Filed Notice re post trl brf of minor defts & Henry Belin (2) d			
11-30-53	Filed Notices re Post trial Brief of U.S. Rubber Co and General Motors Corp. (2) (2)			
11-30-53	Filed Post-Trial Brief For General Motors Corporation (173) d			



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DATE	FILINGS-PROCEEDINGS	COURT REPORTER			
		FILED	RECEIVED	INDEXED	RECORDED
12-4-53	Filed Notice. (2) P				
12-7-53	Final arguments heard in part & trial adjourned to Dec. 8, 1953 at 10:30 A.M. - LaBuy, J.				
	Mailed notices 12-8-53				
12-8-53	Further Arguments heard and trial adjourned to Dec. 9, 1953 LaBuy, J.				
	Mailed notices 12-9-53				
12-9-53	Further arguments heard & trial adjourned to Dec. 10, 1953. Notices mld 12-10-53				
12-10-53	Further arguments heard and trial adjourned to Dec. 11, 1953-LaBuy, J.				
	Mld. notices 12-11-53. P				
12-11-53	Further arguments hrd. and trial adjourned to Dec. 14, 1953-LaBuy, J.				
	Mld. notices 12-14-53. P				
12-14-53	Further argmts hrd and trial adjourned to Dec. 15, 1953 - LaBuy, J.				
	Mailed notices 12-15-53				
12-15-53	Further argmts hrd and trial adjourned to Dec. 16, 1953 - LaBuy, J.				
	Mailed notices 12-16-53 H				
12-16-53	Further arguments heard & tr. adjourned to Dec. 17, 1953 LaBuy-J				
12-17-53	Further argts hrd & tr. adjourned to Dec. 18, 1953. LaBuy-J				
12-18-53	Further Arguments heard & tr. adjourned to Dec. 21, 1953-LaBuy-J				
	Notices mld 12-18-53 H				
12-21-53	Further arguments hrd. and conclud. and advisement-LaBuy, J.				
	Mld. notices 12-22-53. P				
12-23-53	Order to extend time for filing proposed findings of fact and conclusions of law, pltf's reply brief and defts' supplemental briefs - DRAFT - LaBuy, J.				
	Mailed notices 12-24-53 H				
1-22-54	Clerk's File Copy of Transcript of Proceedings had before Judge LaBuy on Dec 7, 8, and 9, 1953 volumes 145 to 149 inclusive, Dec. 10 and 11, 1953, volumes 150 to 153 inc. Dec. 14, and 15, 1953 volumes 154 to 157 inclusive Dec. 16 and 17th 1953, volumes 158 to 161 inc. and Dec. 18, and 21, 1953 volumes 162 to 165 inclusive, filed by official Court Reporter d				
1-29-54	Filed Notice re Find. of Fact & Con. of Law H				
1-29-54	Filed Pltf's proposed Findings of Fact and Conclusions of Law (151) H				
2-5-54	Filed Notice				
"	Filed Defts' proposed Findings of Fact and Conclusion of Law (412). H				
2-26-54	Filed Notice re supplemental brief for defts (3)				
"	Filed Notice re reply brief for the govt (3) H				
3-5-54	Files Stipulation				
"	Pursuant to stip signed by the attys for all parties of record, it is ordered that Root, Ballantine, Busby & Palmer				



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DATE	FILINGS, PROCEEDINGS	CLERK'S FEES		AMOUNT REPORTED IN EMOLUMENT RETURNS
		PLAINTIFF	DEFENDANT	
	be substituted in place of Root, Ballantine, Harlan, Busby & Palmer as attys for the defts Christiana Securities Co. Delaware Realty & Invest. Co., Pierre S. du Pont and Irene de Pont - LaBuy, J. Mailed notices 3-8-54			
1-2-54	Filed Subpoena Ad Testificandum And Duces Tecum for Deposition; returned served. 2 serv. \$18.02			
5-6-54	Filed Suggestion of Death of Pierre S. du Pont, & copy			
11-16-54	Filed Memorandum by Judge LaBuy (30)			
11-16-54	Defts objections to plttf's offer of certain exhibits overruled in part and sustained in part. Plttf's objections to defts' offer of certain exhibits overruled. LaBuy, J Mld ntes 11-18-54			
12-3-54	Filed Opinion of Judge Walter J. LaBuy (220) P			
12-8-54	Filed Notice re: Judgment order (2) P			
12-9-54	Enter order of final judgment dismissing amended complt and cause - DRAFT - LaBuy, J. (JS6) Mld ntes 12-10-54			
1-31-55	Filed Application of Andrew J. Dallstream (8)			
"	Filed Application of Howard Ellis & A.L. Hodson (8)			
"	Filed Application of Claud A. Roth (9)			
"	Enter order allowing fees to guardians ad litem - 3 DRAFTS - LaBuy, J. Mld ntes 2-1-55			
2-4-55	Filed Notice of Appeal to the Supreme Court of the United States, by United States of America, including the Designation of Record, Schedules and Proof of Service (9) P 5 00 US			
2-18-55	Filed Notice (1)			
"	Filed Motion (3)			
"	Enter order enlarge time for filing cross designation to April 25, 1955 - DRAFT - LaBuy, J. Mld ntes 2-23-55			
3-23-55	Filed Notice & Proof of Service (2)			
3-23-55	Filed mo. for order of Court enlarging the time within which Clerk may prepare for transmission the record of appeal & plttf may docket case with Supreme Court (2)			
3-23-55	Filed Notice & Proof of Service (2)			
3-23-55	Filed motion for an order to instruct Clerk of Court to prepare for transmission certain records pur. to plttf's Notice of Appeal (3)			
3-25-55	Order instructing the Clerk of this Court to prepare for transmission certain records pursuant to plaintiff's notice of appeal - DRAFT - Campbell, J. (2)			
"	Order enlarging time within which Clerk of This Court may prepare for transmission the record of appeal and plaintiff may docket the case with Supreme Court to May 25, 1955 - DRAFT - Campbell, J. (1)			
	Mailed Notice to Attys. 3-25-55			



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DATE	FILINGS-PROCEEDINGS
3-31-55	Clerk's File Copy of Transcript of Proceedings had before H Judge LaBuy on Dec. 3, 1954 filed by official court reporter(15130 to 15154)
4-25-55	Filed Designation of additional portions of the record desired to be included by the defendants, with schedules A thru D Attached and Proof of Service (2,12 & 1) B



[fols. 38-41]

[Caption omitted]

[fol. 42] UNITED STATES DISTRICT COURT NORTHERN DISTRICT  
OF ILLINOIS, EASTERN DIVISION

Civil Action No. ———

Equitable Relief Sought

UNITED STATES OF AMERICA, Plaintiff,

v.

E. I. DU PONT DE NEMOURS AND COMPANY; GENERAL MOTORS  
CORPORATION; UNITED STATES RUBBER COMPANY; CHRIS-  
TIANA SECURITIES COMPANY; DELAWARE REALTY & INVEST-  
MENT CORPORATION; PIERRE S. DU PONT; LAMOT DU PONT;  
IRENEE DU PONT; Defendants

COMPLAINT—Filed June 30, 1949

The United States of America, by its attorneys, acting  
under the direction of the Attorney General, brings this  
complaint against the defendants named herein, and upon  
information and belief alleges as follows:

## I

## JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are in-  
stituted under Section 4 of the Act of Congress of July 2,  
1890, c. 647, 26 Stat. 209, as amended, entitled "An Act to  
Protect Trade and Commerce Against Unlawful Restraints  
and Monopolies," said act being commonly known as the  
Sherman Act, and under Section 15 of the Act of Congress  
[fol. 43] of October 15, 1914, c. 323, 38 Stat. 730, as  
amended, entitled "An Act to Supplement Existing Laws  
Against Unlawful Restraints and Monopolies and for Other  
Purposes," commonly known as the Clayton Act, in order  
to prevent and restrain violations by the defendant indi-  
vidually, jointly and severally, as hereinafter alleged, of  
Sections 1 and 2 of the Sherman Act and Section 7 of the  
Clayton Act.

2. The defendants E. I. du Pont de Nemours and Company, General Motors Corporation, and United States Rubber Company transact business within the Eastern Division of the Northern District of Illinois and are found therein.

## II

### DEFENDANTS

3. The following corporations and persons are named as defendants herein:

(a) E. I. du Pont de Nemours and Company (du Pont Company), a Delaware corporation with principal offices at Wilmington, Delaware. Its immediate predecessor corporation was E. I. du Pont de Nemours Powder Company.

(b) General Motors Corporation (General Motors), a Delaware corporation with principal offices at 3044 West Grand Boulevard, Detroit, Michigan. Its immediate predecessor corporation was General Motors Company.

(c) United States Rubber Company (U. S. Rubber), a New Jersey corporation, with principal offices at 1230 Avenue of the Americas, New York, New York.

(d) Christiana Securities Company (Christiana), a Delaware corporation, with principal offices at the du Pont [fol. 44] Building, Wilmington, Delaware. The name of the defendant was originally du Pont Securities Company.

(e) Delaware Realty & Investment Corporation (Delaware), a Delaware corporation, with principal offices at the du Pont Building, Wilmington, Delaware.

(f) Pierre S. du Pont, of Wilmington, Delaware. In du Pont he has been a director from 1915 to date; was President from 1915 to 1919; a member of the Finance Committee of the Board of Directors from 1915 to date; and Chairman of the Board of Directors from 1919 to 1940. In General Motors he was a Director from 1917 to 1944; President from 1920 to 1923; a member of and Chairman of the Executive Committee of the Board of Directors from 1918 to 1921; a member of the Finance Committee from 1917 to 1921; and Chairman of the Board of Directors from 1917 to 1929.

(g) Lamont du Pont, of Wilmington, Delaware. In du Pont he has been a Director from 1915 to date; was a member of the Finance Committee of the Board of Directors



from 1918 to 1945; a member of the Executive Committee from 1915 to 1940; Vice-President from 1916 to 1926; President from 1926 to 1940; and Chairman of the Board of Directors from 1940 to 1948. In General Motors he was a Director from 1918 to 1946; a member of the Executive Committee of the Board of Directors from 1921 to 1929, and Chairman of that Committee from 1921 to 1923; a member of the Finance Committee from 1917 to 1937; and Chairman of the Board of Directors from 1929 to 1937.

(h) Irenée du Pont, of Wilmington, Delaware. In du Pont he has been a Director from 1915 to date; was a member [fol. 45] of the Finance Committee of the Board of Directors from 1915 to 1946; a member of the Executive Committee from 1915 to 1919 and from 1921 to 1926; Vice-President from 1915 to 1919; President from 1919 to 1926; Vice-Chairman of the Board of Directors from 1926 to 1940. In General Motors he was a Director from 1918 to 1938; a member of the Executive Committee of the Board of Directors from 1930 to 1934; a member of the Finance Committee of the Board of Directors from 1918 to 1937, and of the Policy Committee from 1937 to 1946.

4. Where the term "defendant manufacturers" is used herein, it applies to the defendants du Pont Company, General Motors, and United States Rubber, and the predecessors and subsidiaries of each.

5. Where the term "defendant individuals" is used herein, it applies to defendants Pierre S. du Pont, Lamont du Pont, and Irenée du Pont.

6. Where reference is made herein to any corporate defendant, such reference shall be deemed to include the predecessors and subsidiaries of such defendant; and for purposes of the relief prayed for, reference to any corporate defendant shall be deemed to apply to the subsidiaries, successors, assignees of such corporation and their officers, directors, agents, employees, and other representatives.

7. The term "members of the du Pont family," when used herein, applies to those persons who are lineal descendants of Pierre Samuel du Pont de Nemours, the senior member of the family, who emigrated to the United States from France, and the wives and husbands of such lineal descendants.

[fol. 46] 8. Each of the defendant individuals is a member of the du Pont family.

9. Each of the members of the class of persons hereinafter defined is named as a defendant. The individual defendants are fairly and adequately representatives of such class of persons, who are so numerous as to make it impractical to bring all of them before the Court on the charges herein alleged. The charges herein involve all of the members of the class, and common relief is sought against all. The members of the class of persons made defendants herein have the following things in common:

(a) All are members of the du Pont family and are related by blood or marriage to the defendants Pierre Lammot, and Irene du Pont;

(b) All hold, either directly, or indirectly through personal holding companies, or have a beneficial interest in, through trusts established in their favor or otherwise, shares of voting stock of one or more of the following defendant corporations: Christiana, Delaware, and U. S. Rubber.

10. Most of the members of the class made defendants herein are members of the immediate families (wives, husbands, children, grandchildren, etc.) of the individual defendants Pierre, Lammot, or Irene du Pont, or of the persons listed below. Said individual defendants are brothers. Each of the persons listed below has the relationship to said individual defendants shown following his name:

[fol. 47]	Family Head	Relationship to Individual Defendants
	William K. du Pont (deceased).....	Brother.
	R. R. M. Carpenter (deceased).....	Brother-in-law
	Charles Copeland.....	Brother-in-law
	A. Felix du Pont (deceased).....	Second cousin
	Harry B. du Pont.....	Nephew
	William Winder Laird.....	Nephew

11. The members of the class made defendants herein number in excess of 100. They will sometimes hereinafter be referred to as the "class defendants."



## III

## NATURE OF TRADE AND COMMERCE INVOLVED

12. The du Pont Company is the largest producer in the United States of explosives, powder and chemicals. Its principal manufacturing operations are conducted through ten departments. The names of these departments and the principal products which each produce are as follows: *Ammonia Department*: ammonia; urea, urea fertilizer compounds, methanol, higher alcohols, glycol, organic acids, hydrogenate products, anti-freezes, and food chemicals; *Electric Chemicals Department*: Electro and industrial chemicals including solvents, formaldehyde, cyanide, sodium, peroxide, ceramic colors, refrigerants; Vinyl products, and fumigants; *Explosive Department* commercial explosives, blasting accessories, nitroglycerin, military and sporting powders, and commercial nitrocellulose; *Fabrics and Finishes Department*: pyroxylin and other coated fabrics and adhesives, various finishes for industrial, transportation, marine, and household purposes, including lacquers, enamels, paints, varnishes, plastics, waxes and polishes, plasticizers, and pyroxylin solutions; *Grasselli Chemicals Department*: inorganic and organic acids and heavy chemicals, zinc and zinc products, fungicides, insecticides, and wood preservatives; *Organic Chemicals Department*: dyestuffs, tetraethyl lead, neoprene; ethyl alcohol, camphor, and other organic chemicals; *Photo Products Department*: motion picture, X-ray, portrait, lithographic and micro films, fluorescent screens, photographic printing papers and processing chemicals; *Pigments Department*: titanium dioxide, extended titanium pigments, lithophone, dry colors and copperas; *Plastics Department*: various types of plastics, molding powders, and fabricated articles; *Rayon Department*: rayon yarn of various types and for various uses, cellophane and nylon yarn.

13. The du Pont Company also has a large number of either wholly or partially-owned subsidiaries in this and other nations. It has a 50 per cent interest in The Old Hickory Chemical Co. which produces carbon bisulphide. It holds 51 per cent, and General Motors 49 per cent, of the voting stock of Kinetic Chemicals, Inc., a manufacturer of refrigerants. Du Pont Company owns 66.7 per cent of

the voting stock of International Freighting Corporation, Inc., which operates a steamship and general chartering business between the Atlantic Coast, Gulf Coast, and South American ports. The balance of the voting stock is held by General Motors.

14. General Motors is the largest manufacturing company in the United States. Its principal business consists of the manufacture of passenger cars and trucks, including various parts and accessories. It produces the Chevrolet, Buick, Oldsmobile, Pontiac, and Cadillac passenger cars and the [fol. 49] Chevrolet and GMC trucks. It is the largest producer of passenger cars and trucks in the United States. In 1947, it sold 1,931,000 passenger cars and trucks to dealers in the United States and Canada and for shipment overseas, which was 38 per cent of the industry total produced in the United States. In the 1937-1941 period, its average annual sales of passenger cars and trucks were 1,832,466 units or 43 per cent of the industry total produced in the United States. It is the largest producer of automobile parts and accessories. It manufactures parts and accessories for use in its own cars as well as for sale and use in cars and trucks produced by other automobile and truck manufacturers.

15. General Motors is also the largest manufacturer of railroad Diesel locomotives in the United States. It produces Diesel engines for use in these locomotives as well as for other purposes. It manufactures numerous other products, including ball bearings, roller bearings, and a wide range of household appliances, such as electric refrigerators and heating equipment. Many of the General Motors production operations are conducted through operating divisions which include the following:

*Car, Truck and Body Divisions:* Buick Motor, Cadillac Motor Car, Chevrolet Motor GMC Truck & Coach, Pontiac Motor, Buick-Oldsmobile-Pontiac Assembly, Fisher Body, and Oldsmobile; *Accessory and Parts Divisions:* AC Spark Plug, Aeroproducts, Brown-Lipe-Chapin, Central Foundry, Delco Products, Delco Radio, Delco-Remy, Detroit Transmission, Guide Lamp, Harrison Radiator, Hyatt Bearings, Inland Mfg., Moraine Products, New Departure, Packard Electric, Rochester Products, and Saginaw Steering Gear; [fol. 50] *Household Appliance Divisions:* Delco Appliance and Frigidaire; *Engine Divisions:* Allison, Diesel Equip-



ment, Cleveland Diesel Engine, Electro-Motive, and Detroit Diesel Engine.

16. General Motors also has a large number of subsidiaries, mostly wholly-owned, through which other operations of the company are conducted. It holds 50 per cent of the common stock of Ethyl Corporation which, prior to 1948, was the sole producer of Ethyl fluid made from tetraethyl lead and used as an anti-knock in gasoline. The other 50 per cent of the stock of that company was owned by Standard Oil Company of New Jersey. General Motors also holds substantial interests in Kinetic Chemicals, Inc. and International Freighting Corporation, Inc., as hereinbefore alleged.

17. U. S. Rubber is the largest manufacturer in the United States of rubber tires and tubes, as well as of numerous other products made in whole or in part from rubber. Most of the defendant U. S. Rubber's manufacturing operations are conducted through the following divisions of the company: Tire Division, Mechanical Goods Division, Footwear, Naugatuck Chemical and Synthetic Rubber, and Textile. Defendant U. S. Rubber also has a large number of wholly-owned and a small number of partially-owned subsidiaries through which other operations of the company are conducted.

18. Du Pont Company, General Motors and U. S. Rubber together constitute the largest combination of manufacturing enterprises in the United States. For the year 1947, the assets, sales volume and net income after taxes of the defendant manufacturers were as follows:

[fol. 51]	Assets	Sales (Round Nos.)	Net Income After Taxes (Round Nos.)
du Pont.....	\$1,438,000,000	\$ 783,000,000	\$120,000,000
General Motors.....	2,473,000,000	3,815,000,000	288,000,000
U. S. Rubber.....	348,000,000	581,000,000	21,000,000
Total.....	4,259,000,000	5,189,000,000	429,000,000

19. The defendant manufacturers maintain production and distribution facilities throughout the United States. Products produced by the defendant manufacturers are by them sold and shipped in commerce among the several States of the United States.

20. The du Pont Company produces many products which

are used in the operations of other defendant manufacturers. General Motors and U. S. Rubber constitute a substantial market for many of such products produced by du Pont Company. Du Pont sell to General Motors large quantities of lacquers, paints, varnishes, thinners, anti-freeze preparations, coated fabrics, and artificial leather. It sells to U. S. Rubber large quantities of rayon and organic chemicals. It has sold to Ethyl Corporation, a General Motors subsidiary organized in furtherance of the hereinafter alleged conspiracy, large quantities of tetraethyl lead, alcohol, and ethyl chloride. Du Pont Company sells large quantities of many products other than those mentioned above to General Motors and United States Rubber, while additional quantities of products produced by du Pont Company are sold to these two companies through companies and persons other than du Pont Company. Du Pont Company's sales (not including sales of du Pont-made products sold through companies other than du Pont) for the years 1938 to 1947, inclusive, to defendant General Motors totaled approximately \$134,000,000, to defendant U. S. [fol. 52] Rubber approximately \$72,000,000, and to Ethyl Corporation approximately \$57,000,000, a total of \$263,000,000.

21. United States Rubber sells to General Motors large quantities of tires and tubes for use as original equipment in General Motors cars and trucks, as well as quantities of other products. It is General Motors' principal supplier of tires and tubes for use as original equipment in the cars, trucks, and busses produced and sold by General Motors and its subsidiaries. U. S. Rubber's direct sales of tires and tubes to General Motors for original equipment totaled, for the period 1934 to 1947, inclusive, approximately \$500,000,000.

22. General Motors sells a large number of passenger cars and trucks either directly or through dealers to each of the other defendant manufacturers.

23. The products sold by each defendant manufacturer to the other defendant manufacturers are shipped in interstate trade and commerce from the factories or warehouses of the selling defendant to the factories or warehouses of the purchasing defendants located in other States.

24. There are numerous manufacturers, other than the defendant manufacturers, located in various parts of the



United States, which manufacture and sell products of substantially the same type, kind, and quality as the products manufactured and sold by the defendant manufacturers, and but for the combination and conspiracy alleged hereinafter these other manufacturers would be able to offer their products competitively to the manufacturing defendants having need for them. In addition, the potential market in which these other manufacturing companies may compete generally has been restricted substantially by the nature and magnitude of the growth of the defendant manufacturers, and the ability of said other manufacturing companies to compete effectively, has been substantially impaired by the illegal means hereinafter alleged.

#### IV

##### Origin and Development of du Pont Company to 1915

25. The du Pont Company was founded in 1802 by Eleuthère Irénéé du Pont, who, with his father and members of their families, had immigrated to the United States from France, and set up a company to engage in the manufacture of black powder. The company's first plant was located on the Brandywine River in Delaware, where the headquarters of the company has remained. Prior to 1899, the company operated as a partnership, with members of the du Pont family and their close associates holding the partnership shares. In 1899, the company became a corporation, with control remaining in the hands of members of the du Pont family. Until the latter part of the 19th century, the company's principal business consisted of the production of black powder and it was the leading company in the United States in that field. It then expanded into the manufacture of smokeless powder and high explosives, and in these fields also shortly became the principal producer in the United States.

26. In 1902, a major change occurred in the administration of the company. The then president of the company, Eugene du Pont, died, and the remaining senior members of the du Pont family wished to dispose of their holdings in the company. Three of the younger members of the family, Alfred I. du Pont, Pierre S. du Pont, and T. Coleman du Pont, purchased the company, and formed a new company, the E. I. du Pont de Nemours Powder Com-

pany (a New Jersey corporation), which took over the assets of the acquired company. Approximately 89,000 shares of the 119,970 shares of common stock issued by the new company were acquired by T. Coleman du Pont, Alfred I. du Pont, and Pierre S. du Pont, with T. Coleman du Pont acquiring the principal block. This stock gave these three members of the du Pont family control of the company. The new company acquired not only the powder and explosives business of the old company, but also the shares of stock which its predecessor, as a holding company, held in numerous other powder and explosives companies. The new company immediately embarked, both directly and through subsidiary and holding companies, on a program of acquiring control of additional powder and explosive companies.

27. In 1907, a suit in equity was filed by the United States against the du Pont Company (the powder company of 1902) charging it and other companies with combining and conspiring to restrain and monopolize interstate trade and commerce in the field of powder and explosives. In 1911, the Court held the combination to be illegal and in 1912 a final judgment was entered providing for the splitting of the business of the du Pont Company among three companies: du Pont Company; Atlas Powder Company, and Hercules Powder Company.

28. In 1910 (prior to the dissolution referred to above), the total annual sales of the du Pont Company amounted to approximately \$34,000,000. Its only holding at that time outside the powder and explosives field, was a part interest in a company which made artificial leather (Fabrikoid Company). Du Pont subsequently acquired full stock [fol. 55] interest in that company, dissolved it, and merged its operations into those of the du Pont Company as part of what subsequently became known as the Fabrics and Finishes Department. In 1915, du Pont acquired the Arlington Company, makers of celluloid, a product then used in substantial quantities in the making of automobile side curtains.

## V

### Offenses Charged

29. Beginning in or about 1915 and continuing thereafter up to and including the date of the filing of this com-



plaint, the defendants have been and are now engaged in a continuing combination and conspiracy to restrain unreasonably the aforesaid interstate trade and commerce in the development, production, manufacture, distribution and sale of the products which are or may be produced by each of the defendant manufacturers and have conspired and combined to monopolize a substantial part of such interstate trade and commerce, in violation of Sections 1 and 2 of the Sherman Act, and defendant du Pont has acquired a controlling interest in the stock or other share capital of defendant General Motors, while both of said corporations were engaged in interstate commerce, the effect of which acquisition has been to substantially lessen competition between the two companies and to tend to create a monopoly in particular lines of commerce in violation of Section 7 of the Clayton Act. Defendants threaten to continue such offenses and will continue them unless the relief hereinafter prayed for in this Complaint is granted.

30. The aforesaid combination and conspiracy to restrain interstate trade and commerce and to monopolize a substantial part thereof, has consisted of a continuing agreement and concert of action among the defendants, the substantial terms of which have been that the defendants:

[fol. 56] (a) Agree to acquire, hold and perpetuate control by the defendant individuals and class defendants of the directors, executives, and corporate policy of each of the corporate defendants:

(1) By establishing Christiana and Delaware as personal holding companies, a majority of the outstanding voting stock of which would be held by the defendant individuals and class defendants and their families in perpetuity and voted by them;

(2) By utilizing Christiana and Delaware to acquire sufficient of the common stock of du Pont Company to control it, and to hold such stock in perpetuity, and to vote it;

(3) By causing du Pont Company to acquire sufficient of the common stock of General Motors to control it, to hold such stock in perpetuity, and to vote it;

(4) By causing the defendant individuals and certain of the class defendants to acquire sufficient of the common stock of United States Rubber to control

it, to hold such stock in perpetuity for themselves and their families, and to vote it;

(b) Agree to utilize control of the defendant manufacturers to enhance the size, power, and market control of each of them at the expense of its competitors:

(1) By causing each defendant manufacturer which uses products produced by one or more of the other defendant manufacturers to purchase substantially [fol. 57] all of its requirements of such products from such other defendant manufacturers, and to exclude competitors of such other defendant manufacturers from the opportunity of competing freely for such business;

(2) By causing du Pont Company to expand its production facilities, through acquisitions and otherwise, so as to enable it to produce the types and quantities of products in the chemical and related fields which are used in substantial quantities by the other defendant manufacturers;

(3) By causing General Motors and United States Rubber to expand in their respective existing fields, and into new fields, through acquisitions and otherwise, so as to enlarge the closed and noncompetitive market available to du Pont Company for products sold by it to General Motors and United States Rubber, and to increase the profits available to du Pont Company from its ownership of General Motors stocks;

4. By subsidizing the expansion of du Pont Company by using for such purpose the profits derived by it from the sale of its products on a closed market basis to General Motors and United States Rubber, as well as the profits derived by du Pont Company from its ownership of General Motors stock;

(5) By subsidizing the expansion of General Motors by causing du Pont Company and United States Rubber to grant General Motors systematic secret rebates [fol. 58] and preferential prices on certain of the products sold to General Motors on a closed market basis by du Pont Company and United States Rubber, and selling such products at higher prices to customers of



du Pont and United States Rubber other than General Motors;

(6) By subsidizing the expansion of United States Rubber by using for such purpose the profits derived by it from the sale of its products on a closed-market basis to General Motors and du Pont Company;

(7) By inducing suppliers of each defendant manufacturer to purchase products on a basis of reciprocity from one or more of the other defendant manufacturers, and to refrain from purchasing such products from competitors of such other defendant manufacturers;

(8) By causing each defendant manufacturer to make patents, technical data, and trade information obtained by any one defendant manufacturer available to the other defendant manufacturers on an exclusive or preferential basis;

(c) Agree to utilize control of the defendant manufacturers to eliminate competition among themselves:

(1) By causing General Motors to refrain from entering into chemical manufacturing fields, including the manufacture of paints, varnishes, and related products, and to grant du Pont Company exclusive production rights in chemical discoveries made by General Motors;

(2) By causing General Motors to refrain from manufacturing tires and tubes;

[fol. 59] (3) By causing United States Rubber to refrain from expanding its operations into chemical and related fields in which du Pont Company operates, or into fields in which General Motors operates.

31. During the period of time covered by this complaint and for the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants by agreement and concerted action have done the things which, as hereinbefore alleged, they conspired to do, and more particularly, have done, among others, the following acts and things.

*A. The Organization of Christiana and Delaware to Perpetuate du Pont Family Control over du Pont Company*

32. In 1915, the defendants Pierre S., Irene and Lamot du Pont, together with A. Felix du Pont, and R. R. M. Carpenter, who were members of the du Pont family, and John J. Raskob, Treasurer of du Pont Company, formed a syndicate to acquire the large block of stock in du Pont Company (Powder Company) then held by its largest stockholder, T. Coleman du Pont. The stock was acquired and the members of the syndicate organized the du Pont Securities Company (predecessor of defendant Christiana and hereinafter referred to as defendant Christiana) as a personal holding company to which the T. Coleman du Pont holdings were transferred, along with certain shares of du Pont Company common stock owned by members of the syndicate. Christiana then held a controlling portion of the du Pont Company common stock.

33. At the outset, all of Christiana's outstanding common stock (75,000 shares) was held by its incorporators in [fol. 60] the following amounts: defendant Pierre S. du Pont, 37,500 shares; defendant Irene du Pont, 12,000 shares; defendant Lamot du Pont, 12,000 shares; A. Felix du Pont, 6,000 shares, R. R. M. Carpenter 4,500 shares, and John J. Raskob, 3,000 shares. All except John J. Raskob were members of the du Pont family. These stockholders then allocated certain of their shares of Christiana stock to officers of the du Pont Company. When this redistribution had been completed, the original incorporators held approximately 68,250 shares of the 75,000 outstanding shares of Christiana stock. Thereafter most of the common stock which the defendant individuals and class defendants held in du Pont Company, was turned over to Christiana in exchange for its stock to prevent dispersal of such du Pont Company stock, and to insure the perpetuation by such individual and class defendants of their control over du Pont Company.

34. It was understood and agreed among the individual defendants and class defendants who held Christiana stock that they would continue to hold it, would keep it within their families and would not dispose of it to outsiders, so that, either directly or through their families, such defendants would maintain control of a majority of the stock of



Christiana and, through such stockholdings, maintain control of the du Pont Company. This understanding and agreement has been adhered to, and throughout the period covered by this Complaint, the individual defendants and the class defendants have, pursuant to said understanding and agreement, held control of Christiana, and, through it, of du Pont Company. The du Pont Company common stock held by Christiana has been voted as a block at the stockholders' meetings of the du Pont Company. The directors of Christiana have customarily been directors and officers of the du Pont Company.

[fol. 61] 35. The largest single block of stock in Christiana (approximately 49,000 shares, or 32 per cent) is held by defendant Delaware. Delaware, in turn, is a personal holding company for a small number of the members of the du Pont family and their close associates. It was used by defendant Pierre S. du Pont, who had no children, as a means of passing control of his stock holdings to his closest relatives. To accomplish this, he turned the bulk of his holdings in Christiana, in which he was the largest stockholder; together with his common stock in du Pont Company and other companies, over to Delaware in consideration of the payment by it to him of an annuity of approximately \$900,000 a year. The common stock of Delaware was then distributed among his close relatives. The majority of Delaware's 800,000 shares of outstanding common stock is held by the defendants Irénée and Lammot du Pont, a brother-in-law, and two of their nephews, and the members of their respective families. It was understood and agreed among the defendant individuals and class defendants who held Delaware stock that they would hold it for themselves and the members of their families, so that control of defendant Delaware would remain in perpetuity in the hands of the defendant individuals and certain of the class defendants. This understanding and agreement has been adhered to, and, throughout the period of Delaware's existence, said defendants have, pursuant to said understanding and agreement, retained control of Delaware, and have caused the common stock of du Pont Company which is held by Delaware to be voted in stockholders' meetings of du Pont Company in the same manner as the common stock in du Pont Company held by Christiana. The defendant individuals

have at all times occupied the dominant position in deter-[fol. 62] mining what the policies of Christiana, Delaware and du Pont Company should be. The class defendants have at all times accommodated themselves to the decisions of the defendant individuals, and such class defendants have voted their stock in Christiana, Delaware and du Pont Company, and have done other acts in furtherance of this combination and conspiracy, pursuant to agreement and understanding had among themselves and the defendant individuals.

36. Christiana now holds approximately 3,049,800 shares (or 26 per cent) and Delaware holds approximately 304,480 shares (or 3 per cent) of the outstanding shares (11,158,340) of the common stock of du Pont Company. Defendant individuals and class defendants who are either officers or directors of the du Pont Company own a further block of approximately 5.3 per cent of the stock of that company, while other members of the du Pont family, including the class defendants, who are not officers or directors of the du Pont Company, own directly a further 2.2 per cent of the stock in du Pont. The combined holdings of Christiana and Delaware in du Pont Company, together with the direct holdings of members of the du Pont family in that company, total at the present time approximately 36 per cent of the outstanding common stock of du Pont Company.

37. The remaining approximately 64 per cent of the capital stock of the du Pont Company is diffused among approximately 73,000 stockholders whose average holdings amount to slightly over 100 shares apiece. The concentrated holdings of Christiana and Delaware alone, as contrasted to the wide distribution of the remaining shares of the stock among 73,000 stockholders scattered throughout the world, are sufficient to, and do, enable these personal holding companies to control the defendant du Pont Company and its policies.

[fol. 63] B. *Acquisition and Exercise of Control by du Pont Company over General Motors*

38. During World War I, du Pont Company plant facilities, sales, and profits in the powder and explosives fields expanded enormously as a result of the wartime demand for these products on the part, first of Great Britain,



France, and the other allied powers, and later of the United States. Its net profits on this war business during the period 1915 to 1918, inclusive, totalled approximately \$232,000,000.

39. During 1917, the du Pont Company, anticipating the end of World War I and the cessation of orders for vast quantities of powder and explosives which the company had enjoyed, determined to utilize part of its war profits to expand into fields other than gunpowder and explosives, and to acquire for itself protected markets for these new products and for products such as artificial leather and transparent celluloid, which were being produced by companies in which du Pont had already acquired an interest, and thus to counterbalance the anticipated shrinkage in the powder and explosives business which would inevitably follow the close of hostilities.

#### *1. Acquisition of Stock*

40. The defendant Pierre S. du Pont, then president of du Pont Company, and others associated with him in the company, had been investing in the common stock of General Motors Company and Chevrolet Company (which then held a majority of the stock of General Motors), and had become acquainted with the potentialities of the motor car industry and with the opportunities it held as a protected market for products which du Pont Company produced or might produce through an expansion of its enterprises.

41. On December 21, 1917, the executives and Finance [fol. 64] Committees of the du Pont Company, which included defendants Pierre S. du Pont, Lamont du Pont, and Irene du Pont in their membership, in a joint meeting, formally approved the acquisition by du Pont Company of a substantial interest in General Motors Company and Chevrolet Company, and authorized the purchase of \$25,000,000 worth of the common stock of these companies. A new company, General Industries, Inc., all of whose stock was held by du Pont Company, was set up with an authorized capital of \$25,000,000 to accomplish the actual purchase of General Motors and Chevrolet stock. The acquisition was made on the understanding that du Pont Company and the then existing William Durant management of Chev-

rolet and General Motors would have joint control of those two companies, that the du Pont Company would immediately assume charge and be responsible for the financial operation of General Motors and Chevrolet, and that General Motors and Chevrolet would purchase from du Pont Company all of their requirements of Fabricoid (artificial leather), Pyralin (transparent celluloid), paint, varnish, and related products then produced or thereafter to be produced by du Pont Company, or by companies to be acquired by du Pont Company.

42. Pursuant to the foregoing understanding, General Industries, Inc., had by March 8, 1918, purchased common stock of General Motors and Chevrolet in an amount equivalent to approximately a 23 per cent interest in the two companies.

43. Shortly thereafter the name of this stock purchasing instrumentality was changed from General Industries, Inc., to du Pont American Industries, Inc., its capitalization was substantially increased, and it continued to purchase stock in General Motors and Chevrolet. The du Pont Company also approved the acquisition by General Motors of the assets of Chevrolet, which was thereafter accomplished, with [fol. 65] Chevrolet thereafter being operated as a division of General Motors. By October 1919, du Pont American Industries owned almost 30 per cent of the then outstanding stock of General Motors.

44. In 1920, William Durant, the organizer of General Motors, was in financial difficulty and the du Pont Company undertook to acquire his stock holdings in General Motors so as to eliminate him from participation in the control of General Motors, concentrate the control in the hands of du Pont Company, and prevent interests unsympathetic to du Pont Company from acquiring an interest in and a voice in the control of General Motors. To accomplish this, the du Pont Securities Company was organized as a subsidiary of du Pont American Industries and purchased William Durant's General Motors stock. The du Pont Company's stock purchasing subsidiaries, du Pont American Industries, Inc., and du Pont Securities Company, were later dissolved and their General Motors stock holdings taken over by du Pont Company. It thereafter from time to time



acquired additional blocks of General Motors stock to prevent them from falling into hands which might embarrass du Pont Company's control of General Motors.

45. du Pont Company utilized J. P. Morgan & Company to aid in the financing of du Pont's acquisition of Durant's stock, as well as in financing the capital needs of General Motors, and during the financial stringency of 1920 induced affiliated companies, such as Canadian Industries, Ltd. (a Canadian firm jointly controlled by du Pont Company and the Nobel interests (explosives) of Great Britain) both severally and in partnership with du Pont, to subscribe heavily for General Motors capital stock. Such acquisitions were in large part taken over by du Pont at a later date.

46. du Pont Company, in return for the assistance given it and General Motors by J. P. Morgan & Company, designated two of the Morgan representatives for membership on the General Motors Board of Directors, such membership being held by the Morgan representatives until approximately 1942, when one of the Morgan men died.

47. Defendant du Pont Company has for many years past owned 10,000,000 shares (approximately 23 per cent) out of the approximately 44,000,000 outstanding shares of General Motors common stock. The remaining shares of General Motors stock were, in 1947, held by over 436,000 stockholders located in the various States of the United States and in foreign countries. Ninety-two per cent of these stockholders owned no more than 100 shares. Sixty per cent owned no more than 25 shares. The concentrated block of 10,000,000 shares held by du Pont Company as contrasted to the wide distribution of the remaining 34,000,000 shares among hundreds of thousands of small shareholders, has enabled defendants to control the selection of the directors of General Motors and to control the administration and policies of that corporation.

## *2. Control over Officers and Directors*

48. In the du Pont Company, the Finance and the Executive Committees of the Board of Directors are the bodies which control the basic policies of the company. Likewise, in defendant General Motors, the Finance Committee (other-

wise known as the Policy Committee and later as the Financial Policy Committee) and the Executive Committee are the bodies which control the basic policies of that company.

49. When the du Pont Company decision was made in 1917 to acquire a substantial stock interest in General Motors, du Pont Company, pursuant to the understanding reached with the hitherto dominant William Durant management interests in General Motors, began taking over control of the Finance Committee of that company.

50. Starting in the latter part of 1917, and continuing into [fol. 67] 1918, the du Pont Company placed the following representatives on the Finance Committee of the Board of Directors of General Motors:

*Position with du Pont*

Pierre S. du Pont, President, Director and member of Finance Committee.

Lamont du Pont, Vice-President, Director, and member of Executive Committee.

Irene du Pont, Vice-President, Director, and member of Finance Committee.

Henry F. du Pont, Director, Member of Finance Committee.

J. A. Haskell, Vice-President, Director, member of Executive Committee.

J. J. Raskob, Treasurer (later Vice-President), Director, member of Finance and Executive Committees.

The seventh member of the General Motors Finance Committee was William Durant.

51. Since 1917 key officers and directors of the du Pont Company, including the individual defendants named herein, have been assigned by du Pont Company to serve as officers and directors of General Motors and on its principal committees. The du Pont Company has also determined what other persons should hold office as members of the Board of Directors of General Motors, and no person has been chosen for membership on such board contrary to the wishes of du Pont Company.

52. The principal official positions which the individual



defendants have held with du Pont Company and General Motors are as follows:

du Pont Company		General Motors	
Pierre S. du Pont			
Director	1915-date	Director	191-1944
President	1915-1919	President	1920-1923
Chairman of Board	1919-1940	Chairman of Board	1917-1929
Finance Committee	1915-date	Finance Committee	1917-1937
		Executive Committee	1921-1929
[fol. 68]			
Lammot du Pont			
Director	1915-date	Director	1918-1946
Vice President	1916-1926	Chairman of Board	1929-1937
President	1926-1940	Finance Committee	1917-1937
Chairman of Board	1940-1948	Executive Committee	1921-1929
Finance Committee	1918-1945		
Executive Committee	1915-1940		
Irene du Pont			
Director	1915-date	Director	1918-1938
Vice President	1915-1919	Finance Committee and	
President	1919-1926	Successor Committee	1918-1946
Vice Chairman of Board	1926-1940	Executive Committee	1930-1934

53. In 1923, General Motors and du Pont Company worked out a plan to provide special financial incentives to the executives of General Motors in a form which would make them more directly responsive to the influence and desires of du Pont Company. Under this plan, General Motors organized a corporation known as Managers Securities Company and obligated itself to pay the company a minimum of \$2,000,000 annually (thereafter changed to a percentage of General Motors' net profits). du Pont Company transferred to the new company the right to receive dividends from approximately 2,250,000 shares of the General Motors common stock owned by du Pont Company. General Motors, through its Finance Committee, then allocated Class A and B stock of Managers Securities Company to General Motors executives in amounts determined by the Finance Committee of General Motors. One of these classes of Managers Securities Company stock so allocated to the General Motors executives, carried with it the right to participate in the special payments [fol. 69] which General Motors had obligated itself to make annually to Managers Securities Company. The other class of Managers Securities Company stock, also allocated to General Motors executives, received the balance

of the income which Managers Securities had, such income consisting, in the main, of dividends from the 2,250,000 shares of General Motors common stock allocated to Managers Securities by du Pont Company. Although various changes were made thereafter in the detailed operation of the bonus system, the basic elements of the plan have continued to the date of the filing of this complaint.

54. Under the bonus plan those General Motor executives who have been permitted to participate have been enabled, through the payment of small sums, to reap tremendous returns. The \$1,000,000 worth of Managers Securities stock to which the dividends from General Motors stock was allocated, as issued to General Motors executives starting about 1923, was worth over \$500,000,000 on the basis of the highest market price prevailing in 1929 for General Motors common, and nearly \$350,000,000 on the basis of the median price in that year.

55. Throughout the period of time that the bonus plan has been in operation, the allocation of benefits under the plan to General Motors executives and the determination of the amount of each such allocation has been made either by the Finance Committee of General Motors, or by a special Bonus and Salary Committee of the Board of Directors of General Motors. Throughout this period of time, either defendant individuals, or associates of defendant individuals who were officers or directors of du Pont Company, including certain class defendants, have dominated said Finance Committee or Bonus and Salary Committee and have determined who among the General Motors executives should receive bonus allocations and the amount each should receive. The executive personnel of General Motors have [fol. 70] known throughout the existence of the bonus plan, that the recipients of cash and stock bonuses and the amounts each received was determined by a committee the majority of which has at all times been composed of du Pont Company directors, officials and employees. As an inevitable, and intended, consequence of the operation of the bonus plan, General Motors executives have responded readily to the influence and desires of the du Pont Company.



### 3. *Agreements Relating to Intercompany Sales.*

56. Beginning in 1917, it was understood and agreed between General Motors and du Pont Company that, because of the latter's acquisition of control over General Motors, General Motors would give preference to du Pont Company in buying products for use in its operations. It was agreed that General Motors would purchase from du Pont all or substantially all of its requirements of products manufactured by du Pont, and would refrain, in whole or in large part, from purchasing such products from competitors of du Pont Company. It was further understood and agreed that du Pont Company in buying cars or trucks or other products produced by General Motors would buy all or substantially all of such goods from General Motors, and refrain, in whole or in large part, from purchasing such products from General Motors' competition.

57. In 1917, du Pont Company was producing principally powder and explosives. It manufactured few items which could be used in the production of automobiles. Among the few items required by General Motors which were produced by du Pont Company or its subsidiaries in 1917 was celluloid which, in transparent form, was used in making side curtains for automobiles, and artificial leather which was used extensively in automobile seats and upholstery. Beginning in or about 1917, General Motors has purchased all or substantially all of its requirements of these items [fol. 71] from du Pont Company.

58. The du Pont Company, from in or about 1917, has purchased all or substantially all of its requirements of cars and trucks and other items produced by General Motors from that company or its dealers.

59. In 1917, the du Pont Company was engaged to but a limited extent in the production of paints and varnishes and related products. In reliance upon the understanding that it would be the primary supplier for General Motors of products which were manufactured by du Pont, and knowing that General Motors would constitute a large market for paints, varnishes, lacquers, thinners, enamels, and the like, du Pont Company embarked, starting in 1917, upon a program of acquiring numerous independent companies engaged in the production of such products. Among the

companies so acquired were Bridgeport Wood Finishing Company; Cauley, Clark & Company; Harrison Brothers & Company, Inc.; Flint Varnish & Chemical Works; New England Oil Paint & Varnish Company; Chicago Varnish Company; Mountain Varnish & Color Works. At the time it was acquired by du Pont Company, the Flint Varnish & Chemical Works specialized in automobile finishes, and General Motors acquired and held a minority interest in the common stock of that company. After acquiring the majority stock interest in Flint Varnish, du Pont Company purchased from General Motors its minority interest pursuant to an understanding and agreement between General Motors and du Pont Company that General Motors would not engage in the production of paints and varnish and allied products so long as du Pont Company was engaged in such business and retained its control over General Motors.

60. The paint and varnish companies which were acquired by du Pont Company were thereafter dissolved and their assets taken over by du Pont Company and incorporated in [fol. 72] its Fabrics and Finishes Department. The Fabrics Division of this department produces artificial leather and other coated fabrics while the Finishes Division of such department produces paints, enamels, varnishes, lacquers, thinners and related products. Beginning in or about 1917, General Motors has purchased all or substantially all of its requirements of items in this fabrics and finishes field from du Pont Company. The bulk of the purchases made by General Motors from du Pont Company are from the Fabrics and Finishes Department. General Motors is not only the largest customer of this department, but its purchases constitute a large percentage of the department's total volume of business. This department is one of, if not the largest, profit producer of the many departments of du Pont Company.

61. At the time du Pont Company first acquired a substantial stock interest in General Motors that company operated through somewhat autonomous operating divisions, each of which had its own purchasing department which purchased for their own division with but limited supervision from the central office of General Motors. In order to secure more effective liaison among these divisional purchasing agents and to insure that du Pont



Company wishes would be promptly communicated to them and fully complied with, a central purchasing committee for General Motors was established in or about 1922. The membership of this committee was made up of the purchasing agents of the operating divisions and the committees met approximately monthly. The chairman of the committee was at all times one of the high executives of General Motors who was either a former executive of du Pont Company or one who possessed the complete confidence of the du Pont Company. This central purchasing committee was an effective instrumentality in carrying out the du Pont-General Motors inter-company sales arrangements hereinbefore and hereinafter described.

[fol. 73] 62. The original policy of requiring General Motors to purchase exclusively from du Pont the products du Pont was able to supply was subsequently modified so as to permit General Motors to purchase from 20 to 25 per cent of its requirements of the products du Pont manufactured which General Motors used from companies other than du Pont, leaving du Pont with 75 to 80 per cent of the General Motors business. This modification was made because of the fear of both du Pont and General Motors that their business relations with other concerns might be jeopardized if it became generally known that General Motors was required to buy exclusively from du Pont.

63. General Motors, as a protected market for du Pont Company, from which its competitors have been substantially excluded, has provided du Pont Company a substantial and highly profitable outlet for its products, du Pont Company's direct sales to General Motors and Ethyl (excluding sales of du Pont products made to General Motors by others than du Pont Company) have exceeded \$191,000,000 for the period 1938 to 1947, inclusive.

#### 4. *Agreements Relating to Division of Fields*

64. du Pont Company, following its acquisition of control over General Motors in or about 1917, not only extended its operations into the manufacture of paints and varnishes and related products, but also began expanding into other areas in the chemical field. In connection with this expansion, du Pont Company entered into an agreement with General Motors to the effect that the latter

would refrain from the manufacture of chemicals, including paints and varnishes and similar products, leaving this field, as between the two companies, exclusively to du Pont Company. It was further agreed between the two companies that when General Motors made discoveries in [fol. 74] the chemical field, it would inform du Pont Company of the findings and grant to du Pont Company exclusive development, production, and exploitation rights with respect to such discoveries. 'It was also understood that if any of said General Motors' discoveries were useable in General Motors operations, du Pont Company would, after their development, make them available to General Motors Company for use upon an exclusive or preferential basis. It was further understood that if du Pont Company made discoveries in the chemical field which might be of use in the production of automobiles, du Pont Company would promptly inform General Motors of its findings and grant to General Motors preferential rights with respect to such discoveries, and General Motors would aid in the experimental work on such discoveries.

65. Two illustrations of the results of the agreements to divide fields are set out below.

(a) *Tetraethyl Lead*

66. Starting in or about 1918, General Motors engaged in an extensive investigation into the nature and causes of "knocking" in internal combustion engines. The chemical research involved in this investigation revealed that the use of tetraethyl lead blended with gasoline in proper proportions constituted an effective "anti-knock." When General Motors made this discovery, tetraethyl lead was a scarce and expensive product, production of which was highly hazardous. General Motors, therefore, continued its researches in an attempt to discover a cheaper and safer method of producing tetraethyl lead on a commercial basis. It was successful in its endeavor and discovered that tetraethyl lead could be produced commercially from ethyl bromide. It secured patents on both the use of tetraethyl lead in gasoline as an "anti-knock" and on the method of producing it. The du Pont Company was kept fully advised by General Motors as to these developments. When General Motors had completed



the basic research and development work, the project was surrendered to du Pont Company on an exclusive basis pursuant to the agreements set out above. du Pont Company undertook to develop the "anti-knock" commercially, and also to negotiate with companies in foreign countries such agreements as might be desirable to insure that tetraethyl lead as an "anti-knock" could be produced and sold in the United States free from competition arising from such foreign sources.

67. In or about 1922, General Motors and du Pont Company were ready to exploit commercially the use of tetraethyl lead in gasoline as an "anti-knock." The two companies then entered into agreements under which the du Pont Company was given the exclusive right to manufacture tetraethyl lead under the General Motors patents. The contract was a continuing one, giving the du Pont Company this exclusive right in perpetuity, but allowing it to cancel the contract on one year's notice. By supplementary contracts, du Pont was enabled to construct plants to produce tetraethyl lead upon a basis which involved no financial risk for du Pont Company and which imposed all such risks on General Motors.

68. The tetraethyl lead, which was manufactured by du Pont Company pursuant to the terms of the foregoing agreements, was distributed by a General Motors subsidiary which was organized to handle the marketing of the tetraethyl lead to oil companies. This General Motors subsidiary entered into an agreement, in or about 1924, with the Standard Oil Company of New Jersey (Standard Oil), giving that company the exclusive right to distribute tetraethyl lead for use as an "anti-knock" in gasoline for a period of 18 months. During the period of this exclusive distributorship, Standard Oil discovered a new and improved method of producing tetraethyl lead. The new method was both cheaper and safer than the method [fol. 76] which had been discovered by General Motors. It permitted the production of the tetraethyl lead from ethyl chloride, which was in plentiful supply, instead of from ethyl bromide, which was in very short supply. In the meantime, du Pont Company had built a sizable plant at Deepwater, New Jersey, and was producing substantial amounts of tetraethyl lead under the bromide process. Oil

companies that were using the tetraethyl lead in their gasoline were enthusiastic about the "anti-knock" results achieved, and du Pont Company anticipated a great expansion in demand and production.

69. Standard Oil, relying on its exclusive distributorship rights to tetraethyl lead and on the potentialities of its new method of producing the product, demanded of General Motors and du Pont the right itself to produce tetraethyl lead and thereby share production privileges and profits with du Pont Company. du Pont Company objected even though its production of tetraethyl lead was at the time being severely limited by shortages in the supply of bromide. General Motors supported du Pont Company in resisting Standard Oil's attempt to enter into the business of producing tetraethyl lead.

70. The conflict was resolved by an agreement under which a new corporation, Ethyl Gasoline Corporation (later changed to Ethyl Corporation, and referred to herein as "Ethyl") was organized in or about 1924, to take over the physical assets and contract obligations of the General Motors subsidiary which had been handling the marketing of the tetraethyl lead produced by du Pont Company. Both Standard Oil and General Motors assigned to the new company their patents and patent applications relating to the use of tetraethyl lead as an "anti-knock" and to the methods of producing the substance. The voting stock in the new corporation was divided equally between General Motors and Standard Oil. It was agreed among du Pont Company, General Motors, and Standard Oil that [fol. 77] the latter, in consideration for receiving a 50 per cent stock interest in Ethyl, and thereby securing a right to one-half of the profits involved in the distribution of the Ethyl fluid, would withdraw its demand to share with du Pont Company in the manufacture of tetraethyl lead. The three companies agreed that du Pont Company would have the exclusive right to produce tetraethyl lead for Ethyl and to blend the tetraethyl lead into what was known as Ethyl fluid, and would be permitted to produce and supply total requirements of the principal products needed in the production of tetraethyl lead.

71. In the years following the organization of Ethyl, du Pont Company and General Motors entered into nu-



merous contracts, agreements, and understandings which (a) gave to and insured to du Pont Company the exclusive right to produce tetraethyl lead, to blend the lead into the "Ethyl fluid" which Ethyl distributed to oil companies for blending in gasoline, and to supply exclusively the basic ingredients, such as ethyl alcohol, caustic soda, sodium, and other products which entered into the production of tetraethyl lead; and (b) provided that du Pont Company should erect the necessary plants to produce the tetraethyl lead and certain of the products entering into its production, but upon terms involving no financial risk to du Pont Company and imposing the greater part of the expense of construction upon Ethyl.

72. The term of the last basic ethyl patent expired about December 31, 1947. Beginning in the early 1930's, du Pont Company and General Motors gave much attention to devising means for the protection of du Pont Company's monopoly in the production of tetraethyl lead and the blending of Ethyl fluid upon the expiration of the applicable patents. To achieve this purpose, General Motors and du Pont agreed that their arrangements with Ethyl would be modified from time to time prior to the expiration [fol. 78] of the patents in such a way that when the patent protection ended, du Pont Company would be in a position not only to continue manufacturing the tetraethyl lead, but also to take over from Ethyl the distribution of the Ethyl fluid. In furtherance of this agreement, a series of contracts were entered into between du Pont Company and Ethyl, the first ones being entered into in 1938, under which du Pont Company was "employed" by Ethyl to make tetraethyl lead, with du Pont Company to be compensated on the basis of an elaborate formula which was worked out among the parties, under du Pont Company's domination.

73. In or about January 1, 1948, the ethyl patent monopoly having expired, du Pont Company ceased manufacturing tetraethyl lead for the account of Ethyl and for distribution by Ethyl. du Pont Company instead, as contemplated by the agreement reached between it and General Motors and referred to hereinbefore, manufactured tetraethyl lead and blended Ethyl fluid for its own account,

and distributed the Ethyl fluid through its own organization.

74. The exclusive rights which du Pont Company secured in the tetraethyl lead development as a result of du Pont Company's control over General Motors established du Pont Company in a new and lucrative line of business and provided it with a protected market for tetraethyl lead, Ethyl fluid and the products used in making them, from which all competitors were rigidly excluded. Finally du Pont company was enabled to enter the business of distributing as well as manufacturing Ethyl fluid, was a substantial advantage over potential competitors when the Ethyl patent monopoly ended.

75. During the period prior to 1938, du Pont Company's profits on the manufacture and sale of tetraethyl lead in this protected market approximated \$34,000,000. [fol. 79] From 1938 to 1947, Ethyl paid du Pont Company an additional \$47,000,000 in payment for its services in the manufacture of tetraethyl lead. These sums received by du Pont Company do not include profits which it realized in the production of the basic ingredients utilized in the manufacture of tetraethyl lead and Ethyl fluid.

#### (b) *Refrigerants*

76. During the latter part of the 1920's General Motor's research department made discoveries of and secured patent applications on certain fluorine compounds (refrigerant) which would be of great use in connection with electric refrigeration. These discoveries were of particular significance to General Motors, because, through its Frigidaire Division, it was engaged in the manufacture and sale of electric refrigerators whose successful operation depended in large part on the type of refrigerant used in the mechanism. The newly discovered refrigerant was a material improvement over those then on the market.

77. General Motors, pursuant to the understanding it had with du Pont Company, promptly advised du Pont Company of the discovery of the new refrigerant. du Pont Company thereupon advised General Motors that as the discovery was in the chemical field, it should be handled by du Pont Company rather than by General Motors. The latter company acceded to du Pont Company's demands.



78. In or about 1930, General Motors and du Pont Company entered into an agreement to set up a third corporation, Kinetic Chemicals, Inc. to handle both the manufacture and the sale of the new refrigerant and to further developments in the field. The new company was organized with du Pont Company securing 51 per cent of its common stock and General Motors being allocated the minority share of 49 per cent. General Motors gave the new company an exclusive license under the patents which General [fol. 80] Motors had secured.

79. Since the organization of Kinetic Chemicals, Inc. it has been operated by du Pont Company as a division of its Organic Chemicals Department and has been wholly under the control and direction of du Pont Company. The Frigidaire Division of General Motors has, pursuant to the terms of the hereinbefore described understanding and agreement between General Motors and du Pont Company, purchased its requirements of refrigerants exclusively from Kinetic.

80. During a part of the time covered by this conspiracy, Kinetic sold its patented refrigerants exclusively to the Frigidaire Division of General Motors, and pursuant to agreement with that company refused to sell such refrigerants to other manufacturers of electric refrigerators. Thereafter, Kinetic sold certain forms of its patented refrigerants to companies other than General Motors but reserved other and preferred forms of such refrigerants exclusively for use by and sale to the Frigidaire Division of General Motors. Substantially all of the refrigerants used by General Motors have been purchased by it from Kinetic or from persons through whom Kinetic sells.

##### *5. Agreements Relating to Reciprocity*

81. The expansion in size, power and market control of du Pont Company at the expense of competitors has been aided through its use of the weapons of reciprocity demands and pressure against suppliers of General Motors. [fol. 81] 82. Shortly after du Pont Company acquired control of General Motors, the two companies entered into an understanding under which General Motors provided du Pont Company with detailed information as to the companies which were suppliers of General Motors and the

amounts and the volume of goods which such suppliers sold General Motors. General Motors supplied this information to du Pont knowing that such company intended to use this information to induce suppliers of General Motors to reciprocate by purchasing from du Pont Company the products which it produced. Later this general arrangement between du Pont and General Motors was formalized under an agreement between the two companies which provided that whenever a high executive of du Pont desired information concerning suppliers of General Motors the request for such information should be directed to a designated high executive of General Motors who would secure the specific information and furnish it to du Pont Company.

83. The du Pont Company made it known to suppliers in various ways that if they desired to continue to do business with General Motors, it would be advisable for such suppliers to buy from du Pont Company those materials manufactured by du Pont Company which were needed in connection with the manufacture of the products which the suppliers produced.

[fol. 82] 6. *Expansion of du Pont Through Its Control of General Motors*

84. du Pont Company's present investment in General Motors stock, which at current market prices is worth in excess of \$500,000,000, was acquired by it at a cost of approximately \$47,000,000. du Pont Company has received approximately \$676,000,000 in dividends from its General Motors stock during the period from 1918 to 1947, inclusive. In addition, as hereinbefore alleged, du Pont Company has realized both substantial competitive advantage and great profit from the exclusion of competitors from the opportunity of competing for General Motors' business and from the substantial monopolization of said business by du Pont Company. Illustrative of the many competitive advantages, in addition to enhanced profits and other income, which accrued to du Pont from its control over General Motors, was the assured availability of a substantial and noncompetitive market for any product useable by General Motors which du Pont might contemplate manufacturing, and du Pont Company's exclusive access to the results of



General Motors research and experimentation in numerous fields of potential du Pont expansion.

85. du Pont Company has utilized the dividends from General Motors' stock, the profits derived from its sales in the closed General Motors market, and the many competitive advantages arising from its control over General Motors, to expand its operations in its existing fields of production, and into fields new to it. This expansion has been in large measure accomplished by the acquisition of independent companies, as well as by the organization of new companies in partnership with other interests. The following are illustrative of these du Pont Company acquisitions and expansions during the period of the conspiracy herein:

[fol. 83] 86. In 1917 du Pont acquired Beckton Chemical Company, Bridgeport Wood Finishing Company, Cauley Clark & Co., and Harrison Brothers & Co., Inc., all in the paint and varnish industry.

87. In 1918 du Pont acquired the Flint Varnish and Color Works (General Motors held a minority interest in this company which du Pont bought out in 1923) and the New England Oil Paint & Varnish Co., these companies also being in the paint and varnish field. The Flint and Color Works specialized in the production of finishes for automobiles.

88. In 1919, du Pont acquired a 43.8 per cent stock interest in Canadian Explosives, Ltd. (whose name was changed in 1927 to Canadian Industries, Ltd.), with the bulk of the remaining stock in that company being acquired by the Nobel interests of Great Britain, who occupied a position in the field of powder and explosives in Great Britain similar to that occupied by du Pont Company in the United States.

89. In 1920, du Pont acquired full control of the du Pont Fabricoid Company (maker of artificial leather) in which it had acquired a part interest in 1915. In 1920 du Pont also, with certain French interests, formed the du Pont Fiber Silk Company (60 per cent owned by du Pont) to manufacture rayon. Later, the name of this company was changed to the du Pont Rayon Company, with du Pont Company acquiring full control in 1929.

90. In 1923, the du Pont Company and French interests

organized the du Pont Cellophane Company, with du Pont acquiring 52 per cent of the capital stock.

91. In 1924, du Pont acquired the business and assets of General Explosives Company. In the same year, du Pont [fol. 84] Company acquired 63 per cent of the capital stock of Lazote, Inc., which was formed to manufacture synthetic ammonia under patents owned by French interests. Later (1926), du Pont Company's stock interest in Lazote, Inc. was merged into a new company, du Pont National Ammonia Company (in which du Pont acquired a majority of the stock), with the latter acquiring a 100 per cent stock ownership in National Ammonia Company, Inc., a leading distributor of anhydrous ammonia to the refrigeration trade, and a 79 per cent stock interest in Pacific Nitrogen Company. In 1928 du Pont Company acquired the minority interest in du Pont National Ammonia Company and acquired additional stock in Lozote, Inc., bringing its interest in that firm up to 89 per cent and thereupon dissolved the du Pont Ammonia Company. Through ownership of National Ammonia Company, du Pont Company had a 74 per cent interest in Michigan Ammonia Works and a majority interest in Pacific Ammonia and Chemical Co., and in 1929 accrued full control of Lazote with all of the assets of the ammonia business being thereafter consolidated under the du Pont Ammonia Corporation. The assets of these ammonia companies were later taken over by the parent company.

92. In 1924, du Pont formed the du Pont Pathe Film Manufacturing Corporation (name changed in 1931 to du Pont Film Manufacturing Corporation), with French interests, with du Pont Company acquiring all of the preferred stock and 51 per cent of the common. In 1928 it acquired full control of the company.

93. In 1925, du Pont formed the du Pont Viscoloid Company, which took over the celluloid plants of the du Pont Company and a plant of the Viscoloid Company, with du Pont Company receiving 83 per cent of the common stock [fol. 85] of du Pont Viscoloid Company and acquiring full control in 1928.

94. In 1925, du Pont acquired a 50 per cent stock interest in Eastern Alcohol Corporation, which was formed jointly with Kentucky Alcohol Corporation to construct an alcohol



plant at Deepwater Point, New Jersey. In 1931, du Pont acquired full control of Eastern Alcohol Corporation.

95. In 1927, du Pont acquired the assets and business of Excelsior Powder Company.

96. In 1928, du Pont acquired a 50 per cent stock interest in Bayer-Semesan Co., Inc., which was formed jointly with Winthrop Chemical Company.

97. In 1928, du Pont acquired, through a subsidiary, du Pont Viscoloid Company.

98. In 1928, du Pont acquired a 50 per cent interest in the Old Hickory Chemical Company, which was organized in conjunction with other interests to manufacture carbon bisulphide at Old Hickory, Tennessee.

99. In 1928, du Pont acquired the Grasselli Chemical Company, which operated 23 plants in the production of acids and heavy chemicals, lithopone, and other pigments, zinc and zinc products, and other products. The acquired company's Canadian plant and business were transferred to Canadian Industries, Inc., its acid and heavy chemicals business were turned over to a newly formed company, the Grasselli Company, and the explosives plants and business of the acquired company were combined with the corresponding department of du Pont.

100. In 1929, du Pont acquired Krebs Pigment and Chemical Company, a leading manufacturer of lithapone. Later, [fol. 86] Krebs Pigment and Color Corporation was formed to consolidate Krebs Pigment and Chemical Company, the pigment and dry color operations of Grasselli Company and the titanium pigment business of Commercial Pigments Corporation, which was owned by Commercial Solvents Company. The Grasselli Chemical Company owned 70 per cent of the stock of the new company and Commercial Solvents 30 per cent, with the latter interest being acquired by du Pont Company in 1934.

101. In 1930, du Pont acquired the assets and business of the Roessler and Hasslacher Chemical Company of New York, manufacturers of a large number of important chemicals. (In the same year, du Pont acquired a 51 per cent interest in Kinetic Chemicals, which was formed jointly with General Motors Corporation.)

102. In 1931, du Pont acquired the dyestuffs and organic chemical properties and business of the Newport Company

and through this acquisition, acquired a 72 per cent common stock interest in Acetol Products, Inc., manufactures of Cel-O-Glass. The latter company was subsequently dissolved and its assets taken over by du Pont.

103. In 1932, du Pont acquired a 55 per cent interest in Gardinol Corporation, which was formed jointly with Proctor & Gamble Company to exploit cleaning materials in the textile industry.

104. In 1933, du Pont acquired 94 per cent of the preferred stock and 51 per cent of the common stock of Remington Arms Company, Inc., in which du Pont's voting stock interest was later increased to approximately 60 per cent.

105. As a result of du Pont Company's subsidized and protected expansion program, it became, during the period [fol. 87] of the conspiracy herein, the largest producer of explosives and chemicals in the United States. Indicative of the extent of du Pont Company's growth by the illegal means herein alleged is the fact that its annual sales increased 2300 per cent from 1910 to 1947, rising from approximately \$34,000,000 in 1910 to approximately \$783,000,000 in 1947.

#### *7. Expansion of General Motors Through Favored Treatment by du Pont*

106. Since the date when du Pont Company purchased a controlling interest in General Motors the latter company has expanded its operations into many fields other than the manufacture and sale of passenger cars and trucks. In each of these new fields, as well as in the original field of passenger cars and trucks, General Motors has acquired a dominating position.

107. Each expansion by General Motors into a new field was first approved by the du Pont Company. In many instances du Pont initiated the entry of General Motors into the new field. In order to place General Motors in a position of competitive advantage in each of the fields in which it was engaged, and to assure General Motors a rapid expansion, du Pont, for many years from and after 1926, gave General Motors a secret rebate on all purchases made by General Motors from du Pont over and above the volume which General Motors had theretofore normally purchased from du Pont.



108. Under the 1926 rebate agreement, du Pont agreed to give General Motors a rebate of  $7\frac{1}{2}$  per cent on the first million dollars of purchases made by General Motors from du Pont in excess of \$8,000,000; an additional 10 per cent rebate on the next million dollars of purchases; a rebate of  $12\frac{1}{2}$  per cent on the next million dollars of purchases; [fol. 88] and a rebate of 15 per cent on all additional purchases. These discounts were over and above the normal discounts ordinarily allowed by du Pont to its customers for quantity purchases.

109. du Pont Company financed its rebate arrangements with General Motors by raising the prices which it charged to customers other than General Motors. Because disclosure of the arrangement would require du Pont to reduce its prices on sales to customers other than General Motors and discontinue its rebates to General Motors, du Pont Company made it clear to General Motors that it was imperative that the rebate arrangement and all its details be kept strictly secret and confidential.

110. This rebate plan was approved by the Executive Committee of du Pont Company, although the plan was not made a matter of record in the official minutes of such committee. Under the plan, du Pont Company for many years paid rebates to General Motors. Such rebates were distributed to the various operating divisions of General Motors on the basis of volume of purchases made from du Pont. Said discriminatory and preferential secret rebates paid to General Motors by du Pont contributed in substantial part to General Motors' expansion in the automotive field, and in fields new to it.

111. The expansion of General Motors, approved and initiated by du Pont Company, substantially enlarged the protected and noncompetitive market available to du Pont and du Pont's profits therefrom, and substantially increased the income accruing to du Pont Company as dividends from General Motors' stock. As alleged in the preceding subsections hereof, said profits and income were utilized to subsidize the expansion of du Pont Company.

[fol. 89] *C. Acquisition and Exercise of Control by du Pont Family over United States Rubber*

1. *Acquisition of Stock*

112. In or about 1927, the defendants Pierre, Lammot, and Irene du Pont, together with Henry B. du Pont, Lammot du Pont Copeland, and certain of the other members of the du Pont family and their close business associates who controlled du Pont Company, formed a syndicate for the purpose of purchasing sufficient of the capital stock of United States Rubber Company to give the members of the syndicate control over that company.

113. At the time the syndicate was organized, its members knew that United States Rubber Company, although one of the largest manufacturers of rubber products in the United States, was in financial difficulties. United States Rubber had an excessive inventory of rubber and had been unable to sell any substantial number of tires and tubes to General Motors or other automobile manufacturers for original equipment use, one of the most important outlets for rubber products.

114. The syndicate commenced its buying operations in June 1927, and by December of 1927, had purchased approximately 150,000 shares of United States Rubber common stock. By agreement among the members of the syndicate these shares were held by trustees, including defendants Lammot and Irene du Pont, and by these trustees voted as a block at meetings of the stockholders of United States Rubber.

115. In December 1929, the members of the syndicate, organized the Rubber Securities Company as a personal holding company for the purpose of consolidating their [fol. 90] existing holdings of United States Rubber stock and of increasing these holdings. Members of the syndicate became stockholders in Rubber Securities Company, which purchased the United States Rubber holdings of the members of the syndicate, together with additional shares of United States Rubber Company common stock which were purchased through brokers. By the end of December 1929, Rubber Securities held approximately 314,000 shares of United States Rubber Company common stock and 46,000 shares of preferred stock, acquired at a cost of approxi-



mately \$8,277,000 and \$2,306,000 respectively, a total of \$10,583,000.

116. The Rubber Securities Company held these shares of stock intact until November 1937. At that time the stockholders of Rubber Securities began exchanging their stock in that company for the United States Rubber common and preferred stock which it held. The exchange was completed by December 1, 1938, and on that date Rubber Securities was dissolved. Since December 1, 1938, the shares of United States Rubber common and preferred stock which had been held by Rubber Securities Company have been held individually by the persons who were stockholders in Rubber Securities Company, or their successors in interest, and such holdings have been maintained substantially intact by defendant individuals and class defendants. The persons now holding the United States Rubber stock, which was distributed as a result of the dissolution of Rubber Securities Company, are, in the main, the same persons who hold a controlling interest in the stock of Delaware Realty and Christiana Securities Company.

## *2. Control over United States Rubber*

117. The stock acquisitions which the syndicate had made [fol. 91] by the end of 1927 were sufficient to give the syndicate control over United States Rubber. This control was utilized to make drastic changes in the Board of Directors of United States Rubber. Of the fourteen persons who were on the Board of Directors of that company immediately prior to the beginning of the syndicate's stock purchase operations, four were replaced by joint action of the members of the syndicate in 1928, and another six were replaced in the following year, leaving only four of the original directors remaining on the Board. These four were thereafter replaced. In 1928, the members of the syndicate agreed upon and secured the appointment of Francis B. Davis, Jr. as President of United States Rubber and as a member of its Board of Directors. For many years prior thereto, Francis B. Davis, Sr. had been one of the top executives of du Pont Company and had also served for a number of years in a high executive capacity with the defendant General Motors Company by designation of

the du Pont Company. The members of the syndicate also instituted a bonus plan for United States Rubber executives which was similar in nature and designed to achieve the same results as the hereinbefore described bonus plan for General Motors executives. Throughout the period of time that the bonus plan for United States Rubber executives has been in operation, the allocation of benefits and the determination of the amount of such allocation has been made by a committee dominated by persons selected by defendant individuals and class defendants. As an inevitable and intended consequence of the operation of the plan, United States Rubber executives have responded readily to the influence and desires of du Pont Company.

118. Since in or about 1928 the defendant individuals and [fol. 92] the class defendants who hold United States Rubber stock have, by agreement and understanding among themselves, controlled the selection of the members of the Board of Directors of United States Rubber, and no person has been elected to membership on that Board without the approval of the said individual defendants and those class defendants who held United States Rubber common stock.

119. The defendant individuals and class defendants have for many years past held, either directly or through personal holding companies and trusts, approximately 300,000 (or 17 per cent) of the 1,761,092 shares of outstanding common stock of United States Rubber.

120. The common stock of United States Rubber, other than that held by defendant individuals and class defendants, is distributed among approximately 14,000 other stockholders who are located all over the United States, as well as in foreign countries. The concentrated stockholdings in United States Rubber of defendant individuals and the class defendants, as contrasted to the dispersed and small holdings of approximately 14,000 other stockholders, enables the defendant individuals and those class defendants who own United States Rubber stock to control the selection of members of the board of directors, the administration and the policies of United States Rubber.



### 3. *Reciprocal Preferences Between du Pont Company and United States Rubber*

121. Beginning in or about 1928, after the syndicate had taken over control of United States Rubber, that company instituted, by agreement and understanding with defendant individuals, the class defendants and du Pont Company, the policy of giving preference to du Pont Company over [fol. 93] its competitors in making purchases of products which were produced by the du Pont Company. It was agreed that United States Rubber would purchase from du Pont Company all or substantially all of its requirements of products produced by du Pont Company, and would refrain in whole or in major part from purchasing such products from competitors of du Pont Company. It was further understood and agreed that du Pont Company, when it purchased products of the kind produced by United States Rubber, would purchase all or substantially all of such products from United States Rubber. The policy originally established by such agreements was modified to permit each of these companies to purchase limited amounts from competitors of the other. This was done in order to prevent their respective business relations with other firms from being jeopardized by adhering too rigidly to a policy of total exclusion of competitors from the opportunity of securing some of the business of each of these defendant companies.

### 4. *Reciprocal Relations Between United States Rubber and General Motors*

122. Prior to 1929, United States Rubber had sold practically no tires and tubes to General Motors for use as original equipment on General Motors' cars and trucks, although General Motors was one of the largest of such buyers in the United States. This type of business was regarded by tire and tube manufacturers as being highly desirable because purchasers of motor vehicles tended to purchase replacement tires and tubes of the same make as those which came as original equipment with the car.

123. In 1929 General Motors, because of the stock acquisition by the members of the du Pont family as alleged, [fol. 94] began giving United States Rubber a substantial

portion of the General Motors business for original equipment tires and tubes. In that year, General Motors arbitrarily granted United States Rubber a minimum of 30 per cent of the tire business of Pontiac Division and a minimum of 15 per cent of the tire business of the Oakland Division, as well as certain other tire business with the other automotive divisions of General Motors. The grant of this business was made by General Motors in the face of opposition from the sales department of certain of the Divisions and from their dealer organizations.

124. Prior to 1929, the General Motors subsidiary in Canada had, on direct orders of its parent company, been purchasing all of its requirements of tires and tubes from a tire company in which Canadian Industries, Inc., had an interest. (du Pont Company had approximately 44 per cent interest in the voting stock of Canadian Industries, Inc.) In 1929, on orders from the parent company, the Canadian subsidiary began buying approximately 50 per cent of its requirements of tires and tubes for original equipment from the Canadian subsidiary of United States Rubber.

125. During 1930, by agreement among the defendants, General Motors and its subsidiaries continued to purchase an increasingly large number of tires and tubes from United States Rubber for use on original equipment. On January 1, 1931, General Motors and United States Rubber entered into a long term contract under the terms of which General Motors agreed on behalf of itself and its subsidiaries and affiliates, including its Canadian subsidiary, to purchase at least 50 per cent of its requirements of original equipment tires and tubes, including spare tires, from United States Rubber. General Motors agreed that it would discourage [fol. 95] its dealers and distributors from removing such tires from General Motors cars and trucks and substituting tires manufactured by companies other than United States Rubber. A supplementary agreement entered into between the two companies shortly after the primary agreement was executed increased General Motors percentage of purchases from United States Rubber by providing for the purchase from United States Rubber of 100 per cent of the tire requirements of the Oldsmobile, Oakland, Pontiac, and GMC



truck divisions, and 65 per cent of the requirements of the Cadillac and La Salle divisions of General Motors.

126. The foregoing agreements provided that General Motors would carry the risk and responsibility of purchasing the rubber and cotton to be used in the manufacture of the tires which it was to purchase from United States Rubber. The agreements also provided that United States Rubber would actually make the purchases as "agent" for General Motors, and that General Motors would then resell to United States Rubber at cost plus not to exceed 12½ per cent, the rubber and cotton which United States Rubber had itself purchased on General Motors' account. By this means, the agreements provided for the payment to General Motors of a rebate on the price which it paid to United States Rubber for tires and tubes, in an amount equal to 12½ per cent of the cost of the rubber and cotton used therein.

127. In addition to the substantial rebate to be paid to General Motors as profit on fictitious sales of cotton and rubber, the General Motors—United States Rubber contract of 1931 provided for substantially lower prices to General Motors than were to be made available to other purchasers of tires and tubes from United States Rubber. Provision was made within the contract to conceal its terms not only from other United States Rubber customers, but from General Motors employees as well. The contract provided that tires and tubes delivered under the contract were to be billed by United States Rubber to the several car and truck divisions of General Motors at fictitious prices which were substantially higher than the true prices. General Motors agreed that its divisions would pay United States Rubber the fictitious prices so billed, and that thereafter United States Rubber would rebate to General Motors the difference between the true price and the fictitious price. This arrangement was carried into effect.

128. An agreement supplementary to the primary agreement of January 1, 1931, provided for special prices on spare tires purchased by General Motors for use as original equipment in addition to the running tires. This agreement provided that the first spare tire was to be sold by United States Rubber to General Motors at prices materially below the price of the running tires while "second spare" tires

were to be provided free of any charge for cars which were to be exported and for cars manufactured by those divisions of General Motors which purchased their entire requirements of tires from United States Rubber.

129. Although varied in detail from time to time, the agreements of 1931 remained in effect until 1933. In that year a new long term purchase agreement was entered into between United States Rubber and General Motors, guaranteeing United States Rubber substantially the same proportion of General Motors' original equipment tire business as had been allocated to United States Rubber in the earlier [fol. 97] agreement; but making minor modifications in the pricing formulas. Under the 1933 agreement the prices to be charged by United States Rubber to General Motors were not to be in excess of the lowest prices being charged by United States Rubber and its three principal competitors to General Motors or to any other original equipment purchaser. But in a separate letter agreement, United States Rubber agreed to give General Motors the following discounts:

<i>Volume of Sales</i>	<i>Discount</i>
\$10,000,000	\$ 825,000
11,000,000	940,000
12,000,000	1,050,000
13,000,000	1,200,000
14,000,000	1,350,000
15,000,000	1,500,000
and up	10 per cent

130. Thereafter, a disagreement arose between General Motors and United States Rubber as to the amount of rebate which the latter could pay to General Motors and still leave United States Rubber sufficient return to cover its costs. On December 17, 1934, the differences were resolved by a further agreement providing that United States Rubber would guarantee to General Motors a firm discount, to be paid whether or not the net prices paid by General Motors were sufficient to cover United States Rubber's cost of production, and further providing that United States Rubber would rebate to General Motors one-half of any profits in excess of 10 per cent which it realized on sales to General Motors over and above \$15,000,000 annually.



[fol. 98] 131. From time to time thereafter the amount of the guaranteed discount to be paid to General Motors by United States Rubber was revised and slight changes made with respect to the percentage of the requirements of the various divisions of General Motors which United States Rubber would supply. In August 1936, the 1933 agreement was further modified to provide that General Motors would buy from United States Rubber 75 per cent of original equipment tires for all divisions except Chevrolet and GMT, and 55 per cent of the requirements of Chevrolet and 66- $\frac{2}{3}$  per cent of the requirements of GMT. United States Rubber agreed to charge General Motors the lowest price available to any purchaser of tires and tubes as original equipment for automobiles from any manufacturer, and in addition agreed to grant General Motors discounts ranging from 1 $\frac{1}{2}$  per cent on sales of \$3,000,000 to 3 $\frac{1}{2}$  per cent on sales of \$21,000,000 and over. A supplemental agreement provided that General Motors' Canadian subsidiary would purchase at least 50 per cent of its requirements from United States Rubber's Canadian subsidiary. These agreements were in effect to January 31, 1942, when they were discontinued because of the wartime emergency. At the conclusion of the war, General Motors resumed its purchases of tires and tubes from United States Rubber on substantially the same basis as had prevailed before the war.

132. Availability of the guaranteed noncompetitive General Motors' market for a tremendous quantity of tires and tubes has enabled United States Rubber to advance from a position of financial distress to one of profit and power. United States Rubber's direct sales to General Motors during the period 1934 to 1943, approximated \$402,000,000. [fol. 99] Use of United States Rubber's products as original equipment on General Motors cars also resulted in a proportionate rise in sales of United States Rubber tires and tubes for replacement use.

133. The preferential prices and secret rebates granted to General Motors by United States Rubber, which were unavailable to General Motors' competitors, contributed substantially to the enhancement of the size, power, and market control of General Motors. In addition, as a result of the activities in the acquisition and exercise of control over United States Rubber herein alleged, du Pont Company's

expansion has been directly subsidized by profits from closed market sales to United States Rubber (amounting to over \$72,000,000 during the period 1938 to 1947) and indirectly subsidized through the hereinbefore alleged advantages accruing directly to General Motors.

## VI. *Effects of the Conspiracy*

134. The aforesaid agreements and concerted action by the defendants pursuant to and in furtherance of the combination and conspiracy alleged in this Complaint, have had the effects, as intended by the defendants, of permitting the individual and class defendants to acquire control of du Pont Company in perpetuity through their family holding companies, defendants Christiana and Delaware; of acquiring control of General Motors by du Pont Company; of acquiring control of United States Rubber Company by the individual and class defendants; of requiring each defendant [fol. 100] ant manufacturer to purchase its requirements of the products of each of the other defendant manufacturers in a substantially closed market, thus depriving outside suppliers of an opportunity to compete freely for such business; of increasing the size of such closed market by using the reciprocal benefits of interlocking control, and closed market buying; of increasing the size and competitive position of each of the defendant manufacturers by inter-company subsidization made possible by such interlocking control and reciprocal buying and selling arrangements; of expanding still further the market of each defendant manufacturer by requiring that the outside supplier of one or more of such defendant manufacturers purchase products from the other defendant manufacturers on the basis of reciprocity, thus depriving such suppliers of an opportunity to purchase their requirements in a free market; of eliminating competition among defendant manufacturers by dividing manufacturing fields between them on an exclusive basis; of enhancing the competitive position of each defendant manufacturer by selling among themselves products manufactured by one and used by the others at discriminatory and preferential prices, and selling to outsiders at higher prices, all of which practices have had the effect of unreasonably restraining and monopolizing the trade and commerce in which each manufacturing defendant is en-



gaged, in violation of Sections 1 and 2 of the Sherman Act and of Section 7 of the Clayton Act.

[fol. 101]

### PRAYER

WHEREFORE, the Plaintiff prays:

1. That pursuant to Section 5 of the Sherman Act, a summons issue to each of the defendants commanding such defendant to appear and answer the allegations contained in this complaint and to abide by and perform such orders and decrees as the Court may make in the premises.

2. That the aforesaid combination and conspiracy, contracts, agreements, arrangements, and understandings in unreasonable restraint of trade and commerce, and conspiracy to monopolize, be adjudged and decreed to be unlawful and in violation of Sections 1 and 2 of the Sherman Act, and of Section 7 of the Clayton Act; and that the Court adjudge and decree that the defendants and each of them have combined and conspired to restrain and to monopolize interstate trade and commerce in violation of Sections 1 and 2 of the Sherman Act and Section 7 of the Clayton Act, as charged.

3. That the defendant du Pont Company be enjoined from paying to its stockholders in the form of stock dividends or otherwise the General Motors stock which du Pont Company holds, and be required promptly to dispose by sale of all of its holdings of such stock in General Motors, and promptly thereafter to pay to its stockholders in cash dividends the entire proceeds of such sale.

4. That pending the aforesaid sale of such stock by defendant du Pont Company, it be enjoined from exercising any voting rights under such stock.

5. That the defendants Christiana and Delaware be [fol. 102] joined from paying to their stockholders in the form of stock dividends or otherwise any of the voting stock which they hold in General Motors, and be required promptly to dispose by sale of their holdings of such stock, and promptly thereafter pay to their stockholders in cash dividends the entire proceeds of such sales.

6. That pending the aforesaid sale by Christiana and Delaware of such stock, they be enjoined from exercising any voting rights under it.

7. That the defendant General Motors be given the option, for a period of one year, to purchase all or any part of the voting stock of General Motors held by du Pont Company, Christiana and Delaware, the defendant individuals and the class defendants.

8. That the defendants Christiana, Delaware, the individual defendants, and the class defendants be enjoined from purchasing or otherwise acquiring any of the voting stock of General Motors which is disposed of by du Pont Company, Christiana and Delaware, and be enjoined from establishing, aiding in the establishment, designating, appointing, nominating or instructing any subsidiaries, holding companies, trustees, designees or others to acquire such stock on behalf of said defendants, either directly or indirectly:

9. That the defendants Christiana, Delaware, the individual defendants, and the class defendants be enjoined from in any way aiding or assisting, whether by loans, gifts, or otherwise, any member of the du Pont family not included in this proceeding as an individual defendant or class defendant in the acquisition of any of the aforesaid stock which du Pont Company, Christiana and Delaware are required as aforesaid to dispose of.

[fol. 103] 10. That the individual defendants and the class defendants be required to sell or otherwise dispose of all of their voting stock in General Motors and United States Rubber, however it may be held; be enjoined from establishing, aiding in the establishment, designating, appointing or nominating other companies or persons to acquire such stock and hold it beneficially for any one or more of such individual defendants or class defendants or any other member of the du Pont family; and be enjoined from disposing of any of such stock, whether by gift, devise, trust agreement, or otherwise; to or for the benefit of any member of the du Pont family.

11. Pending the sale or other disposition by the individual defendants and class defendants of their voting stock in General Motors and United States Rubber, that such individual defendants and class defendants, and any persons or corporations holding such stock for the beneficial interest of any individual defendant or class defendant, be enjoined from exercising voting rights under it.



12. That the defendant United States Rubber be given the option for a period of one year, to purchase all or any part of the voting stock of United States Rubber held or beneficially held by any defendant individual or class defendants.

13. That ~~defendants~~ du Pont Company, Christiana, Delaware, the individual defendants, and the class defendants be perpetually enjoined from acquiring any capital stock in General Motors or United States Rubber Company, or any company in which either of such companies has a stock or financial interest.

14. That the individual defendants and the class defendants be enjoined from in any way aiding or assisting, whether by loans, gifts, or otherwise, any member of the du Pont family not included in this proceeding as a party, in the acquisition of capital stock in General Motors, United States Rubber, or any company in which such companies have any financial interest.

15. That the defendant du Pont Company be required to divest itself of its business of making tetraethyl lead, ethyl fluid, ethyl chloride, and be perpetually enjoined from re-entering such business.

16. That the defendant General Motors be required to divest itself of all interest in the Ethyl Corporation, but in so doing be enjoined from disposing of such interest as it has to du Pont Company, or any of the other defendants or class defendants.

17. That the defendants du Pont Company and General Motors each be required to divest themselves of their respective interests in Kinetic Corporation.

18. That the individual defendants and class defendants be perpetually enjoined from acquiring any stock or other financial interest, either directly or indirectly, through personal holding companies or otherwise, in any of the foregoing enterprises which are required to be divested by any of the defendants, and that they further be enjoined from aiding any other member of the du Pont family by loans, gifts, or otherwise, to acquire any stock or other financial interest in any of such enterprises.

19. That defendants General Motors and United States Rubber each be enjoined from allowing any person to be a member of its Board of Directors, who, at any time dur-

[fol. 105] ing the period from January 1, 1915 to the date of the entry of the final judgment in this cause, was a director, officer, or an employee of du Pont Company.

20. That General Motors, United States Rubber, and du Pont Company each be enjoined from permitting any person, who during the period from 1915 to the date of the entry of the final judgment in this cause was or had been an officer, director, or an employee of any one of the others of such defendant companies, from serving as an officer or director of the company subject to the injunction.

21. That du Pont Company, General Motors, and United States Rubber, their subsidiaries, successors, and assigns each be perpetually enjoined from acquiring or holding capital stock in any one of the others, or in any company in which such other defendant has a stock or financial interest.

22. That each and every contract between du Pont, General Motors, United States Rubber, or any of them, relating to the sale of goods, the grant of licenses or agreements to license under patents or applications for patents, or agreements providing for the exchange of know-how and information, be cancelled.

23. That the plaintiff have such further, general, and different relief as the nature of the case may require and the Court may deem proper in the premises.

24. That the Plaintiff have the costs of this suit.

[fols. 106-108] Melville C. Williams, Willis L. Hotchkiss, Special Assistants to the Attorney General. Suite 826, 208 S. LaSalle St., Chicago 4, Illinois, PH: CEntal 6-6886.

Tom C. Clark, Attorney General. Herbert A. Bergson, Assistant Attorney General. Holmes Baldridge, James R. Browning, Special Assistants to the Attorney General. Otto Kerner, Jr., United States Attorney.



[fo]. 109] UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

[Title omitted]

ANSWER OF DEFENDANTS CHRISTIANA SECURITIES COMPANY, DELAWARE REALTY & INVESTMENT CORPORATION, PIERRE S. DU PONT, LAMMOT DU PONT and IRÉNÉE DU PONT—Filed April 26, 1950

Defendants Christiana Securities Company (described in the complaint and hereinafter as "Christiana"), Delaware Realty & Investment Corporation (described in the complaint and hereinafter as "Delaware") and Pierre S. du Pont, Lammot du Pont and Irénée du Pont (described in the complaint and hereinafter as "defendant individuals"); sometimes hereinafter referred to collectively as "Defendants", by their attorneys, answer the complaint as follows: \*

[fol. 110] 1. Defendants are advised that it is unnecessary to answer paragraph 1 of the complaint, but they deny that any of them has violated or intends to violate the Sherman Act or the Clayton Act.

2. Defendants admit the allegations contained in paragraph 2 of the complaint.

3. Except as admitted below Defendants deny the allegations contained in paragraph 3 of the complaint:

(a), (b), (c), (d), (e). Defendants admit that the corporations referred to in subparagraphs (a), (b), (c), (d) and (e) of paragraph 3 of the complaint are named as defendants and are properly described in the complaint.

(f). Defendants admit that Pierre S. du Pont, of Wilmington, Delaware, is named as a defendant; that since 1915 he has held the positions in E. I. du Pont de Nemours and Company (described with its predecessors in the complaint and hereinafter as "du Pont Company") referred to for the periods of time named in paragraph 3(f) of the complaint; and that he held the positions in General Motors Corporation (described with its predecessor company in the

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\* The numbering of paragraphs in this answer follows the numbering in the complaint.

complaint and hereinafter as "General Motors") referred to for the periods of time named, except that he was a member of the Board of Directors from 1915 to 1944, Chairman of the Board of Directors from 1915 to 1929, a member of the Finance Committee from 1915 to 1937, and a member of the Executive Committee from 1921 to 1929, being Chairman of that Committee from 1921 to 1923.

(g). Defendants admit that Lammot du Pont, of Wilmington, Delaware, is named as a defendant; that since 1915 [fol. 111] he has held the positions in du Pont Company referred to for the periods of time named in paragraph 3(g) of the complaint; and that he held the positions in General Motors referred to for the periods of time named, except that he was a member of the Executive Committee from 1930 to 1934 and was at no time Chairman of that Committee, and that he was a member of the Finance Committee from 1918 to 1937.

(h). Defendants admit that Irénée du Pont, of Wilmington, Delaware, is named as a defendant; that since 1915 he has held the positions in du Pont Company referred to for the periods of time named in paragraph 3(h) of the complaint; and that he held the positions in General Motors referred to for the periods of time named, except that they deny that he was at any time a member of the Executive Committee or Policy Committee of the Board of Directors of General Motors.

4-7. Defendants are advised that it is unnecessary to answer paragraphs 4-7 of the complaint.

8. Defendants admit that each of the defendant individuals is a member of the du Pont family as defined in paragraph 7 of the complaint.

9. Defendants deny the allegations contained in paragraph 9 of the complaint, except that they admit that said paragraph purports to describe a class of persons against whom common relief is sought and that each of the persons described is named as a defendant.

10-11. Defendants admit the allegations contained in paragraphs 10-11 of the complaint, except that they deny that the persons referred to are members of a class.

[fol. 112] 12. Defendants alleges that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 12 of



the complaint, except that they admit that du Pont Company is a substantial producer of explosives, powder and chemicals and that its principal manufacturing operations are conducted through departments.

13. Defendants deny the allegations contained in paragraph 1 of the complaint, except that they admit that du Pont Company owns a 50% interest in Old Hickory Chemical Co., which produces carbon bisulphide, and 66.7% of the voting stock of International Freighting Corporation, Inc. in which General Motors owns the remaining 33.3%; allege that du Pont Company owns 100% of the capital stock of Kinetic Chemicals, Inc., a manufacturer of refrigerants, and that the du Pont Company owns 100% of the stock of certain other companies and 50% or more of the stock of certain other companies in this and other countries; and allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations relating to the operations of International Freighting Corporation, Inc.

14. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 14 of the complaint, except that they admit that the principal business of General Motors is the manufacture of passenger cars and trucks, including various parts and accessories; that it produces cars and trucks under the brand names referred to; and that it manufactures parts and accessories for use in its own cars as well as for sale and use in cars and [fol. 113] trucks produced by other automobile and truck manufacturers.

15. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 15 of the complaint, except that they admit that General Motors manufactures railroad diesel locomotives, diesel engines for use in these locomotives and for other purposes, and other products, including ball bearings, roller bearings, electric refrigerators and heating equipment; and that many of the General Motors production operations are conducted through operating divisions.

16. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of

the allegations contained in paragraph 16 of the complaint, except that they admit that General Motors holds 50% of the common stock of Ethyl Corporation; that the other 50% of the stock of that company is owned by Standard Oil Company (New Jersey); and that General Motors holds an interest in International Freighting Corporation, Inc.; and they deny that General Motors holds any interest in Kinetic Chemicals, Inc.

17. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 17 of the complaint.

18. Defendants deny the allegations contained in paragraph 18 of the complaint, except that they admit that the assets at December 31, 1947 and the sales and net income [fol. 114] after taxes for the year 1947 of du Pont Company, as reported in its annual report to stockholders for the year 1947, were as follows:

Assets	\$1,438,114,642
Sales	783,405,434
Net income after taxes	120,009,760;

that the assets at December 31, 1947 and the sales and net income after taxes for the year 1947 of General Motors, as reported in its annual report to stockholders for the year 1947, were as follows:

Assets	\$2,472,969,238
Sales	3,815,159,163
Net income after taxes	287,991,373;

and that the assets at December 31, 1947 and the sales and net income after taxes for the year 1947 of U. S. Rubber Company, as reported in its annual report to stockholders for the year 1947, were as follows:

Assets	\$348,381,181
Sales	580,968,091
Net income after taxes	21,753,317.

19. Defendants admit the allegations contained in paragraph 19 of the complaint.

20. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of



the allegations contained in paragraph 20 of the complaint, except that they admit that some of the products produced by du Pont Company are used in the operations of other defendant manufacturers; that du Pont Company sells lacquers, paints, varnishes, thinners, anti-freeze preparations, coated fabrics and processed plastic sheetings and [fol. 115] some other products to General Motors, and rayon, organic chemicals and some other products to U. S. Rubber; and that du Pont Company has sold tetraethyl lead, alcohol and ethyl chloride to Ethyl Corporation; and they deny that Ethyl Corporation was organized in furtherance of any conspiracy.

21. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 21 of the complaint, except that they admit that U. S. Rubber has sold tires and tubes and other products to General Motors.

22. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 22 of the complaint, except that they admit that du Pont Company has purchased from General Motors trucks manufactured by General Motors and has purchased from dealers passenger cars and trucks manufactured by General Motors.

23. Defendants admit the allegations contained in paragraph 23 of the complaint.

24. Defendants deny the allegations contained in paragraph 24 of the complaint, except that they admit that there are numerous manufacturers in the United States which manufacture and sell products, some of which are of substantially the same type, kind and quality as the products manufactured and sold by du Pont Company, General Motors and U. S. Rubber.

25. Defendants admit the allegations contained in paragraph 25 of the complaint, except that they allege that they [fol. 116] are without knowledge or information sufficient to form a belief as to the truth of the allegation that control of the corporation formed in 1899 remained in the du Pont family, and allege that in 1899 the entire capital stock of such corporation was held by persons who were members of the du Pont family (as defined in paragraph 7 of the complaint).

26. Defendants admit the allegations contained in paragraph 26 of the complaint, except that they allege that the company formed in 1902 was E. I. du Pont de Nemours and Company, a Delaware corporation; and that the outstanding capital stock of such corporation on March 1, 1902 consisted of 120,000 shares of which 43,200 shares were held by T. Coleman du Pont, 24,600 shares by Alfred I. du Pont, and 21,600 shares by Pierre S. du Pont; and they deny that the stock acquired by these three individuals gave them control of the company.

27. Defendants admit the allegations contained in paragraph 27 of the complaint, except that they allege that the 1907 suit was filed against E. I. du Pont de Nemours Powder Company, a New Jersey corporation organized in 1903.

28. Defendants deny the allegations contained in paragraph 28 of the complaint, except that they admit that the total sales of du Pont Company in 1910, as reported in its annual report to stockholders, were approximately as stated in such paragraph 28; admit that du Pont Company acquired the capital stock of Arlington Company, makers of celluloid, in 1915; allege that du Pont Company in 1910 acquired the entire capital stock of Fabrikoid Company [fol. 117] which was dissolved in that year and its operations merged with those of du Pont Company; and allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegation that celluloid was used in substantial quantities in 1915 in the making of automobile side-curtains.

29-31. Defendants deny the allegations contained in paragraphs 29-31 of the complaint.

32. Defendants deny the allegations contained in paragraph 32 of the complaint, except that they admit that Pierre S. du Pont, Irénée du Pont, Lammot du Pont, A. Felix du Pont and R. R. M. Carpenter, who were members of the du Pont family (as defined in paragraph 7 of the complaint), and John J. Raskob, who was then treasurer of E. I. du Pont de Nemours Powder Company, formed a syndicate in 1915 to acquire the block of stock in du Pont Powder Company then held by its largest stockholder, T. Coleman du Pont; and that such shares of stock, together with certain other shares of du Pont Powder Company



common stock held by members of the syndicate were transferred to du Pont Securities Company (name later changed to Christiana Securities Company), which was organized by the members of the syndicate.

33. Defendants deny the allegations contained in paragraph 33 of the complaint, except that they admit that all of Christiana's original outstanding common stock (75,000 shares) was issued to its incorporators (the persons named in such paragraph, all of whom were members of the du Pont family as defined in paragraph 7, except John J. Raskob) in the respective amounts stated in such paragraph [fol. 118] of the complaint, and allege that such incorporators assigned 11,750 shares to Christiana which re-issued such shares, subject to certain conditions, to certain officers of du Pont Company, including 5,000 shares in the aggregate to certain of the incorporators of Christiana, whereupon the incorporators held in the aggregate 68,250 shares.

34. Defendants deny the allegations contained in paragraph 34 of the complaint, except that they admit that the common stock of du Pont Company held by Christiana has been voted as a block at the stockholders' meetings of du Pont Company, and that the directors of Christiana have in most instances been directors, and either present or past officers, of du Pont Company.

35. Defendants deny the allegations contained in paragraph 35 of the complaint, except that they admit that Delaware holds the largest single block of stock in Christiana (49,000 shares of common stock, or 32%, and 43,500 shares of non-voting preferred stock); that Pierre S. du Pont sold the bulk of his holdings in Christiana, in which he was the largest stockholder, together with common stock in du Pont Company and other companies, to Delaware in consideration of an annuity of \$900,000; that the stockholders of Delaware at that time were close relatives of Pierre S. du Pont; that, as advised by counsel, Delaware is a personal holding company within the meaning of Section 500 of the Internal Revenue Code; and that the common stock of Delaware owned beneficially by members of the respective families of Irénée du Pont, Lamot du Pont, a brother-in-law, and two of their nephews, aggregates more than 50% of the outstanding common stock.

[fol. 119] 36. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 36 of the complaint, except that they allege that as of December 31, 1949 Christiana held 12,199,200 shares (27.2%) and Delaware held 1,217,920 shares (2.7%) of the 44,833,628 shares of du Pont Company common stock then outstanding; and admits that each of the defendant individuals holds common stock of du Pont Company.

37. Defendants deny the allegations contained in paragraph 37 of the complaint, except that they allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the total number of stockholders in du Pont Company and the average size of their holdings.

38. Defendants deny the allegations contained in paragraph 38 of the complaint, except that they admit that during World War I the du Pont Company plant facilities, sales and profits in the powder and explosives fields expanded as a result of the wartime demand for these products on the part, first of Great Britain, France and the other allied powers, and later of the United States, and that the aggregate net profits on all business for the years 1915-1918 was approximately \$232,000,000 as reported in annual reports to stockholders.

39. Defendants deny the allegations contained in paragraph 39 of the complaint, except that they admit that du Pont Company anticipated the end of World War I and the cessation of orders for large quantities of powder and explosives and was developing plans for entering fields other than gun powder and explosives.

[fol. 120] 40. Defendants deny the allegations contained in paragraph 40 of the complaint, except that they admit that Pierre S. du Pont, President of du Pont Company from 1915 to 1919, and other officers of the company had prior to 1917 invested as individuals in the common stocks of General Motors and Chevrolet Motor Company (which by 1917 held a majority of the stock of General Motors) and had become acquainted to some extent with the fact that the motor car industry had been and was an expanding industry.

41. Defendants deny the allegations contained in para-



graph 41 of the complaint, except that they admit that the du Pont Company Executive Committee (of which Irénée and Lamot du Pont were members) and Finance Committee (of which Pierre S. and Irénée du Pont were members) met jointly on December 21, 1917, and authorized the investment of \$25,000,000 in the common stocks of General Motors and Chevrolet Motor Company; and that a new company, General Industries, Inc., all of whose stock was held by du Pont Company, was established with an authorized capital of \$25,000,000, to accomplish the actual purchase of General Motors and Chevrolet stock.

42. Defendants deny the allegations contained in paragraph 42 of the complaint, except that they admit that General Industries, Inc. had, by March 8, 1918, purchased common stocks of General Motors and Chevrolet Motor Company in amounts equivalent to approximately 12.5% and 20.9%, respectively, of the outstanding common stocks of the two companies.

43. Defendants admit the allegations contained in paragraph 43 of the complaint, except that they deny that [fol. 121] du Pont Company approved the acquisition by General Motors of the assets of Chevrolet Motor Company and allege that General Motors acquired all assets of Chevrolet other than its stock in General Motors; and deny that du Pont American Industries, Inc. in October, 1919, owned almost 30% of the General Motors stock, and allege that such company held approximately 15.1% of the outstanding General Motors common stock and approximately 37.8% of the outstanding Chevrolet common stock.

44. Defendants deny the allegations contained in paragraph 44 of the complaint, except that they admit that William Durant, the organizer of General Motors, was in financial difficulties in November, 1920; that du Pont Securities Company (not the company whose name had been changed to Christiana but a new company), in which du Pont American Industries, Inc., held a stock interest, purchased a substantial portion of the stock in General Motors held by William Durant; that du Pont Securities Company was later dissolved, that the name of du Pont American Industries, Inc. was later changed to General Motors Securities Company and that upon its dissolution a large part of its General Motors holdings was taken over directly by

du Pont Company; that subsequent to the dissolution of du Pont Securities Company du Pont Company has acquired and sold shares of General Motors stock either directly or indirectly.

45. Defendants deny the allegations contained in paragraph 45 of the complaint, except that they admit that J. P. Morgan & Company aided in the financing of the acquisition of Durant's stock in General Motors and aided in financing the capital needs of General Motors; that [fol.122] Canadian Industries, Ltd. (then Canadian Explosives, Ltd.), in which du Pont Company and the Nobel interests of Great Britain held stock interests, subscribed for and purchased stock of General Motors in 1920; and that du Pont Company subsequently purchased a portion of such stock from Canadian Industries, Ltd., directly or indirectly.

46. Defendants allege that individuals who were partners or officers of J. P. Morgan & Company have been from time to time since 1920 elected to the Board of Directors of General Motors and, except as so alleged, deny the allegations contained in paragraph 46 of the complaint.

47. Defendants deny the allegations contained in paragraph 47 of the complaint, except that they admit that du Pont Company has for many years owned 10,000,000 shares (approximately 23%) out of the approximately 44,000,000 outstanding shares of General Motors common stock, and allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations concerning other General Motors stockholders.

48. Defendants deny the allegations contained in paragraph 48 of the complaint, except that they admit that the Finance Committee and Executive Committee of du Pont Company and the Financial Policy Committee of General Motors perform the functions specified in their respective by-laws and Defendants refer to such by-laws for a true statement thereof.

49. Defendants deny the allegations contained in paragraph 49 of the complaint, except that they admit that in 1918 a majority of the members of the General Motors [fol.123] Finance Committee, elected by the Board of Directors of General Motors, were persons who were also officers or directors du Pont Company.



50. Defendants deny the allegations contained in paragraph 50 of the complaint, except that they admit that the persons named in such paragraph were members of the General Motors Finance Committee in 1918 and that six of such persons held positions with du Pont Company as therein alleged.

51. Defendants deny the allegations contained in paragraph 51 of the complaint, except that they admit that since 1915 certain individuals who were officers and directors of du Pont Company, including the individual defendants, have been elected from time to time as directors of General Motors and that certain individuals who were officers and directors of du Pont Company, including the individual defendants, have been designated from time to time by the General Motors Board to serve as officers or members of Board committees of General Motors.

52. Defendants refer to paragraph 3 (f), (g) and (h) above for a true statement of the positions held by the individual defendants with du Pont Company and General Motors, and, except as there admitted or alleged, deny the allegations contained in paragraph 52 of the complaint.

53. Defendants deny the allegations contained in paragraph 53 of the complaint, except that they admit that Managers Securities Company was organized by General Motors in 1923; allege that General Motors obligated itself to pay to that company, for a period of eight years, 5% [fol. 124] of its net earnings (after deducting 7% on the capital invested), with an annual minimum of \$2,000,000 (any amount paid under the minimum provision to be a loan at 6% interest); allege that there was sold to the new company for \$33,750,000 30% of the common stock of General Motors Securities Company, which held 7,500,000 shares of General Motors common stock, so that the new company acquired an indirect interest in 2,250,000 shares of General Motors common stock; allege that General Motors sold Class A and Class B stock of Managers Securities Company to certain General Motors executives; and allege that payments pursuant to the above-mentioned contract with General Motors were credited on the books of Managers Securities Company to the Class A surplus account for the benefit of the Class A stock and that substantially all other net income of Managers Securities

Company was credited on the books of Managers Securities Company to the general surplus account for the benefit of the Class B stock.

54. Defendants deny the allegations contained in paragraph 54 of the complaint, except that they allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations relating to the worth of Managers Securities Company stock.

55. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 55 of the complaint, except that they admit that throughout the period that the General Motors bonus plans have been in operation bonus awards have been determined by the Finance Committee of General Motors or a Bonus and Salary Committee of the Board of Directors of General Motors, which have included [fol. 125] from time to time certain of the defendant individuals and other persons (including certain "class defendants") who were officers or directors of du Pont Company; and they deny that the defendant individuals or other officers or directors of du Pont Company have dominated such committees or determined who should receive bonus allocations and the amount each should receive, and deny that General Motors executives have responded to any influence or desires of du Pont Company, either as an inevitable and intended consequence of the operation of the bonus plans or otherwise.

56. Defendants deny the allegations contained in paragraph 56 of the complaint.

57. Defendants admit the allegations contained in paragraph 57 of the complaint, except that they allege that the purchases by General Motors of celluloid and artificial leather from du Pont Company commenced prior to 1917, and deny that beginning in or about 1917 General Motors has purchased all or substantially all of its requirements of celluloid and artificial leather from du Pont Company and allege that they are without knowledge or information sufficient to form a belief as to whether artificial leather was used extensively in automobile seats and upholstery.

58. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 58 of the complaint,



except that they admit that du Pont Company has purchased from General Motors trucks and other items produced by General Motors and has purchased from dealers [fol. 126] cars and trucks and other items produced by General Motors.

59. Defendants deny the allegations contained in paragraph 59 of the complaint, except that they admit that in 1917 and subsequent years du Pont Company acquired capital stocks or assets of the companies named in such paragraph; that Flint Varnish & Color Works produced automobile finishes; and that General Motors acquired a minority interest in the stock of such company which minority interest was subsequently acquired by du Pont Company.

60. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 60 of the complaint, except that they admit that such paint and varnish companies as were acquired by du Pont Company were subsequently dissolved and their assets taken over by du Pont Company and for the most part incorporated into its Fabrics and Finishes Department; and that the Fabrics and Finishes Department produces the products listed in this paragraph; and they deny that beginning in or about 1917 General Motors has purchased all or substantially all of its requirements of items in the fabrics and finishes field from du Pont Company.

61. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 61 of the complaint, except that they admit that a central purchasing committee for General Motors was established in or about 1922; and deny that the central purchasing committee was created to [fol. 127] insure that du Pont Company wishes would be communicated to the divisional purchasing agents and complied with and that it was an instrumentality in carrying out a du Pont-General Motors inter-company sales arrangement.

62. Defendants deny the allegations contained in paragraph 62 of the complaint.

63. Defendants deny the allegations contained in paragraph 63 of the complaint, except that they allege that they

are without knowledge or information sufficient to form a belief as to the truth of the allegation concerning the volume of du Pont Company's direct sales to General Motors and Ethyl Corporation.

64. Defendants deny the allegations contained in paragraph 64 of the complaint, except that they admit that du Pont Company after 1917 continued its expansion in the chemical field, including paints and varnishes and related products.

65. Defendants deny the allegations contained in paragraph 65 of the complaint.

66. Defendants deny the allegations contained in paragraph 66 of the complaint, except that they admit that General Motors engaged in an extensive investigation into the nature and causes of "knocking", and allege that they are without knowledge or information sufficient to form a belief as to when such investigation was started; that such investigation revealed that the use of tetraethyl lead blended with gasoline in proper proportions constituted an effective anti-knock; that tetraethyl lead was at the time [fol. 128] of its discovery and subsequent thereto a scarce and expensive product and that its production was then and subsequently highly hazardous; that General Motors discovered that tetraethyl lead could be produced commercially from ethyl bromide; that General Motors secured patents on both the use of tetraethyl lead in gasoline as an "anti-knock" and the method of producing it; and that du Pont Company undertook the manufacture of tetraethyl lead on a commercial basis.

67. Defendants deny the allegations contained in paragraph 67 of the complaint, except that they admit that General Motors and du Pont Company entered into an agreement in 1922 whereby du Pont manufactured tetraethyl lead under the General Motors patents and allege that they are without knowledge or information sufficient to form a belief as to the precise terms of the agreement.

68. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 68 of the complaint, except that they admit that the tetraethyl lead, which was manufactured by du Pont Company under contract with General Motors, was distributed by a General Motors sub-



subsidiary which was organized to handle the marketing of the tetraethyl lead to oil companies; that this General Motors subsidiary entered into a contract in or about 1924 with Standard Oil Company of New Jersey relative to the distribution of tetraethyl lead for use as an "anti-knock"; that Standard Oil developed a method of producing tetraethyl lead from ethyl chloride which could be produced more readily than ethyl bromide; and that du Pont Company [fol. 129] had built a plant at Deepwater, New Jersey, and was producing tetraethyl lead under the bromide process.

69. Defendants deny the allegations contained in paragraph 69 of the complaint.

70. Defendants deny the allegations contained in paragraph 70 of the complaint, except that they admit that Ethyl Gasoline Corporation (later changed to Ethyl Corporation) was organized in 1924 and took over the marketing of tetraethyl lead; that Standard Oil and General Motors granted to the new company exclusive licenses for their patents and patent applications relating to the use and production of tetraethyl lead; and that the voting stock in the new corporation was divided equally between General Motors and Standard Oil; and they allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegation that the new company was organized to take over the physical assets and contract obligations of the General Motors subsidiary.

71. Defendants deny the allegations contained in paragraph 71 of the complaint.

72. Defendants deny the allegations contained in paragraph 72 of the complaint, except that they admit that certain of the basic ethyl patents expired about December 31, 1947 and that a contract was entered into in respect of a period commencing in 1938, whereby du Pont Company manufactured tetraethyl lead for the account of Ethyl Corporation.

73. Defendants deny the allegations contained in paragraph 73 of the complaint, except that they admit that on [fol. 130] or about January 1, 1948, du Pont Company ceased manufacturing tetraethyl lead for the account of Ethyl and since that time has been manufacturing tetraethyl

lead and blending tetraethyl lead compounds and distributing such compounds through its own organization.

74. Defendants deny the allegations contained in paragraph 74 of the complaint, except that they admit that the du Pont Company entered the business of distributing ethyl fluid in 1948.

75. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 75 of the complaint.

76. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 76 of the complaint, except that they admit that during the latter part of the 1920's Frigidaire Corporation developed certain fluorine compounds for use as refrigerants in connection with electric refrigeration and secured certain patents in respect to fluorine compounds.

77. Defendants deny the allegations contained in paragraph 77 of the complaint.

78. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 78 of the complaint, except that they admit that in 1930 General Motors and du Pont Company entered into an agreement which provided for the formation of Kinetic Chemicals, Inc., to engage in the manufacture and sale of certain described products and for the subscription by du Pont Company to 51% of the total authorized capital stock and by General Motors to 49% of said stock; and that Frigidaire Corporation and Kinetic Chemicals, Inc. entered into a license agreement in respect to certain patents and patent applications of Frigidaire Corporation.

79. Defendants deny the allegations contained in paragraph 79 of the complaint, except that they admit that Kinetic Chemicals, Inc. has been operated under the management of du Pont Company and in conjunction with its Organic Chemicals Department.

80. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 80 of the complaint.

81. Defendants deny the allegations contained in paragraph 81 of the complaint.



82. Defendants deny the allegations contained in paragraph 82 of the complaint, except that they admit that on occasions and for various reasons employees of du Pont Company have requested and obtained information from General Motors as to its suppliers.

83. Defendants deny the allegations contained in paragraph 83 of the complaint.

84. Defendants deny the allegations contained in paragraph 84 of the complaint, except that they allege that they [fol. 132] are without knowledge or information sufficient to form a belief as to the truth of the allegations concerning cost, market prices, and dividends of the stock in General Motors held by du Pont Company.

85. Defendants deny the allegations contained in paragraph 85 of the complaint, except that they admit that du Pont Company has expanded the scope of its operations; that such expansion has been in part accomplished by the acquisition of companies as well as by the organization of new companies in conjunction with other interests.

86-104. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 86-104 of the complaint, except that they admit that du Pont Company from time to time acquired capital stocks or assets of the companies named in such paragraphs.

105. Defendants deny the allegations contained in paragraph 105 of the complaint, except that they admit that du Pont Company is a substantial producer of explosives and chemicals and that the sales of du Pont Company for 1910 and 1947, respectively, as reported in its annual reports to stockholders, were approximately as stated in such paragraph; and allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegation that du Pont Company is the largest producer of explosives and chemicals in the United States.

106. Defendants deny the allegations contained in paragraph 106 of the complaint, except that they admit that General Motors has expanded its operations since 1917 into [fol. 133] fields other than the manufacture and sale of passenger cars and trucks.

107. Defendants deny the allegations contained in paragraph 107 of the complaint, except that they admit that

beginning with 1927 and for limited time thereafter General Motors received a volume discount from du Pont Company and allege that they are without knowledge or information sufficient to form a belief as to the precise terms thereof.

108. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 108 of the complaint.

109. Defendants deny the allegations contained in paragraph 109 of the complaint, except that they admit that certain employees of du Pont Company urged certain employees of General Motors to keep the details of the discount plan secret and confidential.

110. Defendants deny the allegations contained in paragraph 110 of the complaint, except that they admit that members of the Executive Committee of du Pont Company were informed of the general terms of the rebate plan; and that rebates were paid to General Motors; and allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the distribution of rebates among General Motors Divisions.

111. Defendants deny the allegations contained in paragraph 111 of the complaint.

[fol. 134] 112. Defendants deny the allegations contained in paragraph 112 of the complaint, except that they admit that the individuals named and certain others formed syndicates in 1927 for the purchase of U. S. Rubber capital stock.

113. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 113 of the complaint, except that they admit that certain members of the syndicate thought that the financial condition of U. S. Rubber could be strengthened by a reduction in inventories.

114. Defendants admit the allegations contained in paragraph 114 of the complaint.

115. Defendants deny the allegations contained in paragraph 115 of the complaint, except that they admit that Rubber Securities Company was organized in 1929; that the original stockholders of Rubber Securities Company included members of the syndicate; that Rubber Securities Company purchased shares of stock of U. S. Rubber from



members of the syndicate and on the open market; that Rubber Securities Company on December 31, 1929, held approximately 314,000 shares of common stock and 46,000 shares of preferred stock of U. S. Rubber; and that such stocks were acquired by Rubber Securities Company at a cost of approximately \$8,277,000 for the common stock and \$2,306,000 for the preferred stock, a total of approximately \$10,583,000.

116. Defendants deny the allegations contained in paragraph 116 of the complaint, except that they admit that Rubber Securities Company continued to hold 314,000 [fol. 135] shares of common stock and 46,000 shares of preferred stock of U. S. Rubber until November, 1937; that Rubber Securities Company commenced in 1937 exchanging its stock for the U. S. Rubber common and preferred stock which it held; that Rubber Securities Company was dissolved on December 1, 1938; and allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegation that holdings of U. S. Rubber stock have been held substantially intact by "class defendants."

117. Defendants deny the allegations contained in paragraph 117 of the complaint, except that they admit that Francis B. Davis, Jr. was elected President and a Director of U. S. Rubber in 1929; that the members of the syndicate were in agreement with the election of Mr. Davis; that Mr. Davis had at different times formerly been an employee of du Pont Company and of General Motors; and that a bonus plan was instituted for the executives of U. S. Rubber.

118. Defendants deny the allegations contained in paragraph 118 of the complaint.

119. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 119 of the complaint, except that they admit that the beneficial ownership of U. S. Rubber common stock by the defendant individuals aggregates 68,816 shares.

120. Defendants deny the allegations contained in paragraph 120 of the complaint, except that they allege that [fol. 136] they are without knowledge or information sufficient to form a belief as to the truth of the allegations concerning the number of stockholders in U. S. Rubber.

121. Defendants deny the allegations contained in paragraph 121 of the complaint.

122-131. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 122-131 of the complaint, except that they admit that General Motors since at least 1929 has purchased tires and tubes and other products from U. S. Rubber, and that the two companies have from time to time entered into contracts; and they deny that any of them caused or influenced General Motors to purchase from U. S. Rubber, and that any of them were parties to any agreement in 1930 as alleged in paragraph 125.

132. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 132 of the complaint, except that they deny that a guaranteed noncompetitive General Motors' market has been available to U. S. Rubber.

133. Defendants deny the allegations contained in paragraph 133 of the complaint, except that they allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegation concerning the amount of du Pont Company sales to U. S. Rubber.

134. Defendants deny the allegations contained in paragraph 134 of the complaint.

[fols. 137-139] WHEREFORE, Defendants deny that the plaintiff is entitled to the relief requested in the complaint or to any other relief, and pray that the complaint be dismissed.

John M. Harlan, Aaron Finger, Philip C. Scott,  
Ferris E. Hurd, *Attorneys for defendants. Christiana Securities Company, Delaware Realty & Investment Corporation, Pierre S. du Pont, Lammot S. du Pont and Irénée du Pont.*

Root, Ballantine, Harlan, Bushby & Palmer, 31 Nassau Street, New York 5, N. Y. REctor 2-2260.

Richards, Layton & Finger, DuPont Building, Wilmington, 41, Del. WIlmington 6-8308.

Pope & Ballard, 120 S. LaSalle Street, Chicago 3, Ill. RAndolph 6-6680.



[fol. 140] IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

(Title omitted)

ANSWER OF E. I. DU PONT DE NEMOURS AND COMPANY—Filed  
April 26, 1950

The defendant E. I. du Pont de Nemours and Company (hereinafter referred to as du Pont) by its attorneys answers the Complaint herein as follows (the succeeding paragraphs being numbered to correspond with the numbering of the Complaint):

I

Jurisdiction and Venue

1. Du Pont admits that the Complaint is filed and this action is instituted under Section 4 of the Sherman Act [fol. 141] and under Section 15 of the Clayton Act. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

2. Du Pont admits that it, General Motors Corporation (hereinafter referred to as General Motors), and the United States Rubber Company (hereinafter referred to as U. S. Rubber), all transact business within the Eastern Division of the Northern District of Illinois and are found therein.

II

Defendants

3. Du Pont admits and avers that:

(a) It is named as a defendant herein and is a corporation organized and existing under the laws of the State of Delaware with principal offices at Wilmington, Delaware, and that in 1915 it acquired the assets of the E. I. du Pont de Nemours Powder Company.

(b) General Motors is named as a defendant herein and is a corporation organized and existing under the laws of the State of Delaware with principal offices at 3044 West Grand Boulevard, Detroit, Michigan, and that in 1917 it acquired the assets of the General Motors Company which was at that time dissolved.

(c) U. S. Rubber is named as a defendant herein and is a corporation organized and existing under the laws of the State of New Jersey with its principal offices at 1230 Avenue of the Americas, New York, New York.

[fol. 142] (d) Christiana Securities Company (hereinafter referred to as Christiana) is named as a defendant herein and is a corporation organized and existing under the laws of the State of Delaware with principal offices at the du Pont Building, Wilmington, Delaware, and that it was originally known as the du Pont Securities Company.

(e) Delaware Realty & Investment Corporation (hereinafter referred to as Delaware) is named as a defendant herein and is a corporation organized and existing under the laws of the State of Delaware with principal offices at the du Pont Building, Wilmington, Delaware.

(f) Pierre S. du Pont, of Wilmington, Delaware is named as a defendant herein and since 1915 has held the positions in the du Pont Company set forth in paragraph 3(f) of the Complaint, and that he has held the following positions in General Motors and General Motors Company: Director from 1915 to 1944; President from 1920 to 1923; Chairman of the Executive Committee of the Board of Directors from 1921 to 1923; a member of the Executive Committee from 1921 to 1929; a member of the Finance Committee from 1915 to 1937; and Chairman of the Board of Directors from 1915 to 1929. Except as specifically admitted, du Pont denies the averments in this paragraph.

(g) Lamont du Pont, of Wilmington, Delaware; is named as a defendant herein and since 1915 has held positions in the du Pont Company as described in paragraph 3(g) of the Complaint and that he has held the following positions in General Motors: Director from 1918 to 1946; a member of the Executive Committee of the Board of Directors from 1930 to 1934; a member of the Finance Committee from 1918 to 1937; a member of the Policy [fol. 143] Committee from 1937 to 1946; and Chairman of the Board of Directors from 1929 to 1937. Except as specifically admitted, du Pont denies the averments in this paragraph.

(h) Irénée du Pont, of Wilmington, Delaware, is named as a defendant herein and since 1915 has held positions in the du Pont Company as described in paragraph 3(h) of the Complaint and that he has held the following positions



in General Motors: Director from 1918 to 1938; and a member of the Finance Committee of the Board of Directors from 1918 to 1937. Except as specifically admitted, du Pont denies the averments in this paragraph.

4-8. Du Pont admits the averments in these paragraphs except that it denies that as used in this answer the terms defined in Paragraphs 4 to 7 have the meanings ascribed to them in those paragraphs of the Complaint.

9. Du Pont admits that each of the members of the class of persons defined is named as a defendant herein, and is without knowledge or information sufficient to form a belief as to the truth of the other averments in this paragraph.

10-11. Du Pont admits that the individual defendants are brothers, and is without knowledge or information sufficient to form a belief as to the truth of the other averments in these paragraphs.

### III

#### Nature of Trade and Commerce Involved

12. Du Pont admits and avers that it is a substantial producer of explosives, powder and chemicals but is without [fol. 144] knowledge or information sufficient to form a belief as to the truth of the averment that it is the largest producer of such products located in the United States. Du Pont further admits and avers that its principal manufacturing operations are conducted through ten Departments, and that the names of these Departments and the principal products which each produces are: *Electrochemicals*: Electro and industrial chemicals, including sodium, cyanides, peroxides, chlorinated solvents (for metal cleaning, dry cleaning, and extraction), refrigerants, formaldehyde, polyvinyl alcohol and acetate, ceramic decorations, and furfural products; *Explosives*: Commercial explosives, blasting accessories, miscellaneous chemicals, liquid and solidified nitroglycerin, oil and gas well torpedo service; military and sporting powders, and commercial nitrocellulose; *Fabrics & Finishes*: Pyroxylin, synthetic resin, neoprene and rubber coated fabrics, and processed plastic sheeting, window shade fabrics, rug underlay, and synthetic rubberized tubing; protective and decorative

finishes for all industrial, automotive, marine, transportation, and household purposes, wire enamels, automotive maintenance specialties, adhesives, plasticizers, and pyroxylin solutions; *Film*: Cellophane, cellulose bands, cellulose sponges and sponge yarn, cellulose acetate film, and polythene film; *Grasselli*: Inorganic and organic acids and heavy chemicals, zinc and zinc products, fungicides, seed disinfectants, household sprays and dusts, insecticides, animal remedies, weed killers, adhesives, wood preservatives, and chemicals for the textile, water purification, paper, leather, steel, and food industries; *Organic Chemicals*: Dyestuffs, tetraethyl lead, neoprene, ethyl alcohol, camphor, and other organic chemicals for the rubber, petroleum, textile, paper, perfumery, and other industries; *Photo Products*: Motion picture, X-ray, portrait, litho- [fol. 145] graphic, and micro films; intensifying and fluoroscopic screens, photographic printing papers, processing chemicals, and television phosphors; *Pigments*: Titanium dioxide, extended titanium pigments, lithopone, dry colors, copperas, titanium metal and "Erifon" flame retardant; *Polychemicals*: Ammonia, urea, urea fertilizer compounds, methanol, higher alcohols, solvents, organic acids, hydrogenated products, antifreezes, food chemicals, acrylic plastics, polyvinyl butyral, polythene, cellulose nitrate and cellulose acetate plastics, nylon molding powder and monofilaments, polytetrafluoroethylene, and fabricated articles; *Rayon*: Viscose rayon yarn, staple, and tire yarn; acetate rayon yarn and staple cellulose acetate flake, and vinyl acetate; nylon yarn, staple, and flake.

Except as to the averments specifically admitted du Pont denies the averments in this paragraph.

13. Du Pont admits and avers that it has some wholly owned subsidiaries in this and other countries and also that it owns over 50 per cent of the voting stock in some companies in this and other countries; that it owns a 50 per cent interest in Old Hickory Chemical Co. which produces carbon bisulphide; that it owns 100 per cent of Kinetic Chemicals, Inc., a manufacturer of refrigerants; that it owns 66.67 per cent of the voting stock of International Freighting Corporation, Inc., which operates vessels coastwise (Atlantic and Gulf), service between Eastern Canadian, U. S., Atlantic and East Coast South American ports.



and a general chartering business; and that the balance of the voting stock in International Freighting Corporation, Inc., is held by General Motors. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

[fol. 146] 14. Du Pont admits and avers that the principal business of General Motors consists of the manufacture of passenger cars and trucks including various parts and accessories; that General Motors produces the Chevrolet, Buick, Oldsmobile, Pontiac and Cadillac passenger cars and the Chevrolet and GMC trucks; that it manufactures parts and accessories for use in its own cars as well as for sale and use in cars and trucks produced for other automobile and truck manufacturers. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the other averments in this paragraph.

15. Du Pont admits and avers that General Motors manufactures railroad diesel locomotives in the United States and produces diesel engines for use in these locomotives as well as for other purposes. Du Pont further admits and avers that General Motors manufactures other products including ball bearings, roller bearings, electric refrigerators and heating equipment and that many of its production operations are conducted through the operating divisions named in this paragraph. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the other averments in this paragraph.

16. Du Pont admits and avers that General Motors holds 50 per cent of the common stock of Ethyl Corporation; that the other 50 per cent of the stock of Ethyl Corporation is owned by Standard Oil Company (New Jersey); that General Motors holds a 33.3 per cent interest in International Freighting Corporation, Inc. Du Pont denies that Ethyl Corporation was the sole producer of ethyl fluid throughout the period prior to 1948 and that General Motors owns any interest in Kinetic Chemicals, Inc., and is without [fol. 147] knowledge or information sufficient to form a belief as to the truth of the other averments in this paragraph.

17. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

18. Du Pont admits and avers that for the year 1947 its sales volume and net income after taxes, and its assets at the end of the year, as shown and explained in its Annual Report to the stockholders were as follows:

Assets	Sales	Net Income After Taxes
\$1,438,114,642	\$783,405,434	\$120,009,760

and that for the year 1947 the sales volume and net income after taxes of General Motors, and its assets at the end of the year, as shown and explained in its Annual Report to the stockholders were as follows:

Assets	Sales	Net Income After Taxes
\$2,472,969,238	\$3,815,159,163	\$287,991,373

Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments with respect to the assets, sales volume and net income after taxes of U. S. Rubber in 1947. Except as to the averments specifically admitted, and those as to which it has stated it is without knowledge or information sufficient to form a belief, du Pont denies the averments in this paragraph.

19. Du Pont admits and avers that it, General Motors and U. S. Rubber each maintain separate production and distribution facilities at various locations in the United [fol. 148] States, and that the products produced by each of them are sold and shipped in commerce among the several states of the United States.

20. Du Pont denies the averments in this paragraph except that it admits and avers that certain of the products it produces are used by General Motors and U. S. Rubber; that it sells to General Motors, lacquers, paints, varnishes, thinners, antifreeze preparations, coated fabrics and processed plastic sheetings; that it sells to U. S. Rubber rayon and certain organic chemical products; that it has sold to Ethyl Corporation tetraethyl lead, alcohol and ethyl chloride; that it sells other products to both General Motors and U. S. Rubber; that additional quantities of products produced by du Pont are sold to these two companies through companies and persons other than du Pont and that sales (not including sales of du Pont-made products



sold through companies other than du Pont) to General Motors for the period 1938 through 1947 totaled approximately \$118,634,000; that its sales to U. S. Rubber for the period 1938 through 1947 totaled approximately \$65,691,000; that its sales to Ethyl Corporation during the period 1938 through 1947 totaled approximately \$57,164,000.

21. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

22. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph, except that it admits and avers that it has purchased from General Motors trucks manufactured by [fol. 149] General Motors and has purchased from dealers passenger cars and trucks manufactured by General Motors.

23. Du Pont admits the averments in this paragraph.

24. Du Pont denies the averments in this paragraph except that it admits that there are numerous manufacturers in the United States which manufacture and sell products some of which are of substantially the same type, kind and quality as the products manufactured and sold by du Pont, General Motors, and U. S. Rubber.

#### IV

##### Origin and Development of Du Pont Company to 1915

25. Du Pont admits the averments in this paragraph except that it is without knowledge or information sufficient to form a belief as to the truth of the averment that when the company became a corporation in 1899, control remained in the hands of members of the du Pont family; and further avers that in 1899 the entire capital stock of such corporation was owned by members of the du Pont family (as defined in paragraph 7 of the Complaint).

26. Du Pont admits the averments in this paragraph except that it avers that the company formed in 1902 was E. I. du Pont de Nemours and Company, a Delaware corporation, the capital stock of which on March 1, 1902 consisted of 120,000 shares of which 43,200 were held by T. Coleman du Pont, 24,600 by Alfred L. du Pont, and 21,600 by Pierre S. du Pont; and it is without knowledge [fol. 150] or information sufficient to form a belief as to

whether T. Coleman du Pont, Alfred I. du Pont and Pierre S. du Pont controlled this company; du Pont further avers that in 1903 the E. I. du Pont de Nemours Powder Co. (a New Jersey corporation) was founded and took over substantially all the assets of the 1902 company.

27. Du Pont admits the averments in this paragraph except that it avers that the suit in 1907 was filed against E. I. du Pont de Nemours Powder Company, a New Jersey corporation.

28. Du Pont admits and avers that in 1910 its total annual sales amounted to approximately \$33,200,000; that in 1910 the E. I. du Pont de Nemours Powder Company acquired the entire stock interest in the Fabrikoid Company which made artificial leather and was du Pont's principal holding at that time outside the powder and explosives field; that in 1910 the Fabrikoid Company was dissolved and later its operations were merged into those of du Pont as part of what subsequently became known as the Fabrics and Finishes Department; that in 1915 it acquired all of the outstanding stock of the Arlington Company, makers of celluloid used in the making of automobile side curtains and other products. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

## V

### Offenses Charged

29-31. Du Pont denies the averments in these paragraphs. [fol. 151] 32. Du Pont admits and avers that in 1915 Pierre S. du Pont, Irénée du Pont, Lammot du Pont, A. Felix du Pont, R. R. M. Carpenter and J. J. Raskob, Treasurer of du Pont, formed a syndicate to acquire the block of stock in the E. I. du Pont de Nemours Powder Company then held by its largest stockholder, T. Coleman du Pont. Du Pont further admits and avers that the stock so acquired by this syndicate as well as certain shares of the du Pont Powder Company common stock owned by members of the syndicate were transferred to the du Pont Securities Company (predecessor to Christiana), which was organized by the members of the syndicate. Du Pont denies that Christiana then held a controlling portion of du Pont stock and is without knowledge or information



sufficient to form a belief as to the truth of the other averments in this paragraph.

33. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

34. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph except that it admits and avers that the du Pont common stock held by Christiana has been voted as a block at the stockholders meetings of du Pont; that directors of Christiana have in most instances served as directors or officers of du Pont; and denies that Christiana has at any time held a controlling portion of du Pont stock.

35. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph except that it denies that the defendant [fol. 152] individuals have at all times occupied the dominant position in determining what the policies of du Pont should be and avers that the policies of du Pont have at all times been determined in accordance with its charter and by-laws, by its stockholders, directors and officers among whom are included Christiana, Delaware and the individual defendants herein.

36. Du Pont admits and avers that as of December 31, 1949 Christiana held 12,199,200 shares (or 27.2 per cent) and Delaware held 1,217,920 shares (or 2.7 per cent) of the outstanding shares (44,833,628) of the common stock of du Pont. Du Pont further admits and avers that all of the lineal descendants of Pierre Samuel du Pont de Nemours who were officers or directors of du Pont on August 23, 1948, held on that date common stock of du Pont which totaled approximately 5.3 per cent of the du Pont outstanding common stock including all shares held by each of them individually, as trustee or as co-trustee as well as shares beneficially owned or subject to the control of any member of the family of such officer or director. Du Pont further admits and avers that as of August 23, 1948, the lineal descendants of Pierre Samuel du Pont de Nemours who were not officers or directors of du Pont and their wives or husbands held individually shares of du Pont common stock which totaled approximately 2.2 per cent of the outstanding common stock of du Pont. Except as to the aver-

ments specifically admitted, du Pont denies the averments in this paragraph.

37. Du Pont admits and avers that as of the time when this complaint was filed its capital stock was held by approximately 100,000 shareholders including 82,000 holders [fol. 153] of common stock, and that its policies are determined in accordance with its charter and by-laws by its stockholders, officers and directors, and that among its stockholders are Christiana and Delaware. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

38. Du Pont admits and avers that during World War I its plant facilities, sales and profits in the powder and explosives field expanded as the result of the wartime demand for these products on the part, first of Great Britain, France and the other allied powers, and later of the United States; and that its net profits on all business during the period 1915 to 1918 inclusive as reported to stockholders totaled approximately \$232,000,000. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

39. Du Pont denies the averments in this paragraph except that it admits and avers that; anticipating the end of World War I and the cessation of orders for powder and explosives, it determined to find sources for the investment of its excess capital and for the utilization of such capital for expansion into fields other than gunpowder and explosives.

40. Du Pont admits and avers that Pierre S. du Pont, president of du Pont from 1915 to 1919, and other officers of the company had been investing as individuals in the common stock of General Motors Company and Chevrolet Motor Company (which by 1917 held a majority of the stock in General Motors Company); and is without knowledge or [fol. 154] information sufficient to form a belief as to the truth of the other averments in this paragraph.

41. Du Pont denies the averments in this paragraph except that it admits and avers that on December 21, 1917 its Executive and Finance Committees, the former of which included in its membership the defendants, Lammot du Pont and Irénée du Pont, and the latter of which included in its membership Pierre S. du Pont and Irénée du Pont, in a

joint meeting formally approved the investment by du Pont of \$25,000,000 in the common stock of General Motors and Chevrolet Motor Company and that a new company, all of whose stock was held by du Pont, was organized with an authorized capital of \$25,000,000 (later called General Industries, Inc.) to accomplish the actual purchase of General Motors and Chevrolet stock.

42. Du Pont denies the averments in this paragraph except that it admits and avers that by March 8, 1918, it had purchased through General Industries, Inc. 97,875 shares of common stock of General Motors and 133,690 shares of the common stock of Chevrolet Motor Company which at that time represented 12.5 per cent and 20.9 per cent of the outstanding common stock of the two companies respectively.

43. Du Pont admits and avers that the name of General Industries, Inc., was changed to du Pont American Industries, Inc.; that its capitalization was increased to \$50,000,000 and that it continued to purchase stock in General Motors and Chevrolet Motor Company; that General Motors acquired the physical assets of Chevrolet and that there-[fol. 155] after Chevrolet was operated as a division of General Motors. Du Pont further admits and avers that by the end of 1919 du Pont American Industries, Inc., owned 238,504 shares of General Motors common stock and 159,115 shares of Chevrolet common stock which represented 15.5 per cent and 37.8 per cent of the outstanding common stock of the two companies respectively. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

44. Du Pont denies the averments in this paragraph except that it admits and avers that in 1920 William Durant, the organizer of General Motors, was in financial difficulty and that du Pont acquired a substantial portion of his stockholdings in General Motors; that this acquisition was accomplished in part through the du Pont Securities Company, a company in which du Pont American Industries, Inc. had an interest; that du Pont Securities Company was later dissolved and the name of du Pont American Industries, Inc. was later changed to General Motors Securities Company and that upon its dissolution a



large part of its General Motors stockholdings was taken over by du Pont directly; that subsequent to the dissolution of du Pont Securities Company and the change in 1923 in the name of du Pont American Industries, Inc. to General Motors Securities Company du Pont has acquired and sold shares of General Motors stock, either directly or indirectly.

45. Du Pont admits and avers that the services of J. P. Morgan & Company were utilized by it in the acquisition of General Motors stock from Durant in 1920 and by General Motors in financing the capital needs of General Motors in [fol. 156] 1920 and that in that year Canadian Explosives Limited (a Canadian firm later known as Canadian Industries, Ltd., in which du Pont and Explosives Trades Limited of Great Britain were substantial stockholders) subscribed for and purchased General Motors stock, a portion of which was subsequently purchased from Canadian Explosives Limited by the du Pont-Nobel Company. Du Pont further admits and avers that at a later date it purchased shares of General Motors stock from Canadian Explosives Limited. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

46. Du Pont denies the averments in this paragraph except that it admits and avers that persons who were partners or officers of J. P. Morgan & Company have served as directors of General Motors.

47. Du Pont denies the averments in this paragraph except that it admits and avers that it has for many years past owned 10,000,000 shares (approximately 23 per cent) out of the approximately 44,000,000 outstanding shares of General Motors common stock; and is without knowledge or information sufficient to form a belief as to the averment that the remaining shares of General Motors stock were, in 1947, held by over 436,000 stockholders located in the various States of the United States and in foreign countries and that 92 per cent of these stockholders owned no more than 100 shares and that 60 per cent owned no more than 25 shares.

48. Du Pont admits and avers that the Finance and Executive Committees of its Board of Directors perform the following functions as specified in its By-Laws:

[fol. 157]

## Finance Committee

The Finance Committee shall consist of nine members.

The Finance Committee shall have special and general charge and control of all financial affairs of the Company and such other matters as may be assigned to it from time to time by the Board of Directors. The Secretary and Treasurer and their respective divisions shall be under the direct control and supervision of the Finance Committee.

The Finance Committee shall appoint a Custodian of Securities who shall act as custodian of the stocks, bonds, and other securities of the Company except such stocks, bonds and other securities as may be deposited for safe-keeping in custody accounts established from time to time with banks and other depositories by authority of the Finance Committee. The Custodian of Securities shall give a bond in such amount as the Finance Committee may require.

During the intervals between the meetings of the Board of Directors, the Finance Committee shall possess and may exercise all the powers of the Board of Directors in the management of the financial affairs of the Company, and such other matters as may be assigned to it from time to time by the Board of Directors, in such manner as said Committee shall deem to be best for the interests of the Company, in all cases in which specific directions shall not have been given by the Board of Directors.

During the intervals between the meetings of the Finance Committee, the Chairman thereof shall possess and may exercise such of the powers vested in the Finance Committee as from time to time may be conferred upon him by resolution of the Board of Directors or of the Finance Committee. (By-Laws, Article III, Section 3.)

[fol. 158]

## Executive Committee

The Executive Committee shall consist of nine members.

During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess and may exercise all the powers of the Board of Directors in the management and direction of all the business and affairs of the Company (except the matters hereinafter as-

signed to the Finance Committee, to the Committee on Audit or to the Bonus and Salary Committee), in such manner as the Executive Committee shall deem best for the interests of the Company in all cases in which specific directions shall not have been given by the Board of Directors.

During the intervals between the meetings of the Executive Committee, the Chairman thereof shall possess and may exercise such of the powers vested in the Executive Committee as from time to time may be conferred upon him by resolution of the Board of Directors or of the Executive Committee. (By-Laws, Article III, Section 2.);

that the General Motors Board of Directors has no Executive Committee, and the Financial Policy Committee of the General Motors Board of Directors performs the following functions as set forth in the By-Laws:

#### Financial Policy Committee.

The financial policy committee shall consist of nine members. The board of directors shall select the members of the financial policy committee from among the directors and shall designate the chairman of the committee, all of whom shall serve during the pleasure of the board of directors. During the intervals between meetings of the [fol. 159] board of directors, the financial policy committee shall have and may exercise the powers of the board of directors except the powers hereinafter assigned to the audit committee and the bonus and salary committee, in the determination of the financial policies of the corporation and in the management of the financial affairs of the corporation, including all accounting policies and procedures, and shall have power to authorize the seal of the corporation to be affixed to all papers which may require it. All capital expenditures of the corporation shall be approved by the financial policy committee, except that the financial policy committee may authorize the operations policy committee to approve capital expenditures to such extent and up to such amounts as the financial policy committee may establish. The financial and accounting officers of the corporation, the general counsel of the corporation, the secretary of the corporation and the transfer agent of the corporation, and their respective staffs, shall be under the super-



vision of the financial policy committee. During the intervals between meetings of the financial policy committee, the chairman thereof shall have and may exercise the powers of the financial policy committee. All action taken by the chairman during the intervals between meetings of the financial policy committee in the exercise of such authority shall be reported to the financial policy committee. All action by the financial policy committee and its chairman shall be reported to the board of directors and shall be subject to revision by the board of directors, provided that no acts or rights of third parties shall be affected thereby. (By-Laws, Paragraph 37.)

Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

49. Du Pont admits and avers that in February, 1918 a majority of the members of the General Motors Finance [fol. 160] Committee elected by the General Motors Board of Directors were persons who were also officers or directors of du Pont. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

50. Du Pont admits and avers that the persons named in this paragraph of the Complaint occupied in the du Pont Company the positions listed opposite their names and were elected to the Finance Committee of the Board of Directors of General Motors at various times in 1917 and 1918 and that in 1918 William Durant was the seventh member of the General Motors Finance Committee. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

51. Du Pont admits and avers that both before and since 1917 certain individuals who were officers and directors of du Pont, including the individual defendants, have been elected directors of General Motors from time to time, and that certain individuals who were officers and directors of du Pont, including the individual defendants, have been designated from time to time by the General Motors Board of Directors to serve as officers or members of Board committees of General Motors. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

52. Du Pont refers to paragraph 3 (f) (g) and (h)

above for a true statement of the positions held by the individual defendants with du Pont and General Motors, and except as there admitted or averred denies the averments in this paragraph.

[fol. 161] 53. Du Pont denies the averments in this paragraph, except that it admits and avers that in 1923 General Motors organized a corporation known as Managers Securities Company and obligated itself to pay the company over an eight year period 5 per cent of General Motors' annual net earnings (after deducting 7 per cent on capital investment) with a minimum annual payment of \$2,000,000, provided that any amount by which such minimum payments exceeded the amounts due from General Motors earnings would be deemed to be a loan by General Motors to Managers Securities Company. Du Pont further admits and avers that in 1923 there was transferred to Managers Securities Company a 30 per cent interest in the common stock of General Motors Securities Company, which interest represented 2,250,000 shares of General Motors common stock in return for which General Motors Securities Company received \$33,750,000, of which \$4,950,000 was paid in cash and the balance in 7 per cent cumulative preferred stock of Managers Securities Company. Du Pont further admits and avers that General Motors then sold Class A and Class B stock of Managers Securities Company "to certain General Motors executives; that payments pursuant to the earnings contract with General Motors were credited on the books of Managers Securities Company to the Class A surplus account for the benefit of the Class A stock and that substantially all other net income of Managers Securities Company was credited on the books of Managers Securities Company to the general surplus account for the benefit of the Class B stock."

54. Du Pont denies the averments in this paragraph, except that it is without the knowledge or information sufficient to form a belief as to the worth of Managers Securities stock in 1929.

55. Du Pont admits and avers that throughout the period that the General Motors bonus plan has been in operation bonus awards have been determined by the Finance Committee of General Motors and thereafter by the Bonus and Salary Committee of General Motors, and at various times

during this period various of the individual defendants and some individuals who were officers and directors of du Pont have served on the Finance Committee and the Bonus and Salary Committee of General Motors. Du Pont denies that such persons have dominated these committees or determined who among the General Motors executives should receive bonus allocations and the amount each should receive, and further denies that General Motors executives have responded readily to any influence or desires of du Pont either as an inevitable and intended consequence of the operation of a bonus plan or otherwise. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

56. Du Pont denies the averments in this paragraph.

57. Du Pont admits the averments in this paragraph, except that it denies that beginning in or about 1917 General Motors has purchased all or substantially all of its requirements of celluloid or artificial leather from du Pont, and is without knowledge or information sufficient to form a belief as to whether artificial leather was used extensively in automobile seats and upholstery in 1917.

[fol. 163] Du Pont admits and avers that since 1917 it has regularly purchased from General Motors trucks manufactured by General Motors and has purchased from dealers passenger cars and trucks manufactured by General Motors; that it has purchased cars and trucks produced by other companies; and that it has from time to time purchased other items produced by General Motors from that company or its dealers. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

59. Du Pont denies the averments in this paragraph, except that it admits and avers that in 1917 it was engaged in the production of paints and varnishes and related products; that during the course of that year it acquired all of the assets of Harrison Bros. & Company, Beckton Chemical Company, Cawley Clark & Company, and certain of the assets of the Bridgeport Wood Finishing Company; that during 1918 du Pont purchased through a subsidiary a majority of the common and preferred stock of Flint Varnish and Color Works; that General Motors in 1918



acquired a small minority interest in Flint Varnish and Color Works; that thereafter du Pont purchased the minority shares of the Flint Varnish and Color Works, including those owned by General Motors, and dissolved the Flint Company in October, 1924; that in 1918 the Flint Company manufactured products primarily used in finishing railroad equipment and automobiles; that in 1918 du Pont purchased certain assets only of New England Oil Paint and Varnish Company; that in 1920 it acquired certain assets of the Chicago Varnish Company; and that in 1934 it acquired the assets of the Mountain Varnish and Color Works.

[fol. 164] 60. Du Pont denies the averments in this paragraph except that it admits and avers that such paint and varnish companies as were acquired by it were subsequently dissolved and their assets taken over by du Pont and for the most part incorporated into its Fabrics and Finishes Department; that the Fabrics Division of this department produces coated fabrics and other sheetings and that the Finishes Division of this department produces the products listed in this paragraph as well as those set forth in answer to paragraph 12 of the Complaint; that General Motors is the largest single customer of the Fabrics and Finishes Department; that its purchases from this department exceed in volume its purchases from any other individual department of du Pont and have usually exceeded in volume General Motors' total purchases from all other departments of du Pont and that sales of all products to General Motors constitute a significant percentage of the total volume of business done by the Fabrics and Finishes Department.

61. Du Pont denies that the establishment of a Central Purchasing Committee in General Motors was in any way intended to insure that du Pont wishes would be communicated to the divisional purchasing agents or complied with by them, and du Pont further denies that the Central Purchasing Committee was an instrumentality in carrying out any du Pont-General Motors inter-company sales arrangements. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

62. Du Pont denies the averments in this paragraph.

[fol. 165] 63. Du Pont denies the averments in this para-

graph, except that it admits and avers that its gross direct sales to General Motors and Ethyl Corporation combined for the period of 1938 through 1947, inclusive, totaled approximately \$176,000,000.

64. Du Pont denies the averments in this paragraph, except that it admits and avers that both prior to its investment in General Motors in 1917 and since then it has extended its operations into the manufacture of paints and varnishes and related products and also other chemical and allied products.

65. Du Pont denies the averments in this paragraph.

66. Du Pont denies the averments in this paragraph except that it admits and avers that General Motors engaged in an investigation (as to the date on which such investigation started du Pont is without knowledge or information sufficient to form a belief) into the nature and causes of "knocking" in internal combustion engines which revealed that tetraethyl lead blended with gasoline in proper proportions constituted an effective "anti-knock"; that both at the time of General Motors' discovery and subsequent thereto tetraethyl lead was a scarce and expensive product, production of which was highly hazardous; that General Motors discovered that tetraethyl lead could be produced commercially from ethyl bromide and secured patents both on the use of tetraethyl lead in gasoline as an "anti-knock" and on a method of producing it from ethyl bromide, and that du Pont undertook to produce tetraethyl lead on a commercial scale.

[fol. 166] 67. Du Pont denies the averments in this paragraph, except that it admits that in 1922 General Motors and du Pont entered into an agreement under which du Pont manufactured tetraethyl lead. For the terms and conditions of the agreement du Pont refers to the original of the contract which will be produced upon the trial of this cause.

68. Du Pont admits and avers that the tetraethyl lead which it manufactured was initially distributed by a General Motors subsidiary which was organized by General Motors to handle the marketing of tetraethyl lead, but is without knowledge or information sufficient to form a belief as to the terms of any agreement entered into between General Motors subsidiary and the Standard Oil Company (New

Jersey). Du Pont further admits and avers that Standard Oil (New Jersey) developed or acquired rights to a method for producing tetraethyl lead from ethyl chloride, which could be produced more readily than ethyl bromide. Du Pont further admits and avers that it had constructed a plant at Deepwater, New Jersey, which by the end of 1924 was producing tetraethyl by the ethyl bromide process at the rate of approximately 7,580 pounds a day. Du Pont avers further that it is without knowledge or information sufficient to form a belief as to the truth of the averment that the oil companies that were using tetraethyl lead in their gasoline were enthusiastic about the anti-knock results achieved and the averment that at that time it anticipated a great expansion in demand and production. Except as to the averments specifically admitted and those as to which it has stated it is without knowledge or information sufficient to form a belief, du Pont denies the averments in this paragraph.

[fol. 167] -69. Du Pont denies the averments in this paragraph.

70. Du Pont denies the averments in this paragraph, except that it admits and avers that in 1924 Ethyl Gasoline Corporation (later changed to Ethyl Corporation) was organized by General Motors and Standard Oil (New Jersey and took over the handling and marketing of tetraethyl lead then being produced under contract by du Pont; that Standard Oil (New Jersey) and General Motors granted licenses to Ethyl Gasoline Corporation under their patents and patent applications relating to the use of tetraethyl lead as an anti-knock and to the methods of producing the substance; that the voting stock in Ethyl Gasoline Corporation was equally divided between General Motors and Standard Oil (New Jersey); and is without knowledge or information sufficient to form a belief as to whether Ethyl was organized to take over the physical assets and contract obligations of General Motors subsidiary.

71. Du Pont denies the averments in this paragraph.

72. Du Pont denies the averments in this paragraph except that it admits and avers that the term of certain of the basic ethyl patents expired about December 31, 1947; and that prior to December 31, 1947 and with respect to a period beginning in 1938, it entered into an agreement with



Ethyl Corporation pursuant to which du Pont manufactured tetraethyl lead for the account of Ethyl Corporation and was compensated for such production pursuant to the terms of its agreement with Ethyl Corporation and supplements thereto.

73. Du Pont admits and avers that on December 31, 1947 it ceased manufacturing tetraethyl lead for the account of Ethyl Corporation and for distribution by Ethyl Corporation and since then has manufactured tetraethyl lead and blended tetraethyl lead compounds for its own account and distributed such compounds through its own organization in competition with Ethyl Corporation. Except as to the averments specially admitted, du Pont denies the averments in this paragraph.

74. Du Pont denies the averments in this paragraph except that it admits that since August, 1947 it has manufactured tetraethyl lead for its own account and that since January 1, 1948 has blended tetraethyl lead compounds for its own account and distributed such compounds through its own organization.

75. Du Pont admits and avers that during the period prior to 1938 its profits on the manufacture and sale of tetraethyl had approximated \$34,000,000; that from 1938 to 1947 Ethyl paid du Pont approximately \$47,000,000 in payment for services rendered Ethyl pursuant to the Manufacturing Service Agreement between the two companies; that these sums received by du Pont do not include profits which it may have realized in the production of the basic ingredients utilized in the manufacture of tetraethyl lead and ethyl fluid. Except as to averments specifically admitted, du Pont denies the averments in this paragraph.

76. Du Pont admits and avers that, during the latter part of the 1920's, Frigidaire Corporation developed certain fluorine compounds for use as refrigerants in connection with electric refrigeration; that such fluorine compounds were an improvement over those then on the market; that Frigidaire Corporation, as a manufacturer of electric refrigerators, was interested in the possibility of using such fluorine compounds as refrigerants; and that, thereafter, Frigidaire Corporation secured certain patents in respect to such fluorine compounds. Except as to the

averments specifically admitted to, du Pont denies the averments in this paragraph.

77. Du Pont denies the averments in this paragraph.

78. Du Pont admits and avers that in 1930 General Motors and du Pont entered into an agreement, which provided for the formation of Kinetic Chemicals, Inc. to engage in the manufacture and sale of certain described products and for the subscription by du Pont to 51 per cent of the total authorized capital stock and by General Motors to 49 per cent of said stock, and that Frigidaire Corporation and Kinetic Chemicals, Inc. entered into a license agreement in respect to certain patents and patent applications of Frigidaire Corporation. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

79. Du Pont admits and avers that since its organization Kinetic Chemicals, Inc. has been operated in conjunction with du Pont's Organic Chemicals Department and has been managed by du Pont subject to the wishes of Kinetic's stockholders and directors under the charter and by-laws of Kinetic Chemicals, Inc. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

80. Du Pont denies the averments in this paragraph, except that it admits and avers that for a period of time im-[fol. 170] mediately after Kinetic Chemicals, Inc. was organized and until its production increased sufficiently to supply other refrigerator manufacturers Kinetic sold its patented refrigerants only to the Frigidaire Division of General Motors, and that for a period of time one type of Kinetic's patented refrigerants was sold only to General Motors.

81. Du Pont denies the averments in this paragraph.

82. Du Pont denies the averments in this paragraph, except that it admits and avers that on occasions and for various purposes its employees have requested and obtained information from General Motors as to its suppliers.

83. Du Pont denies the averments in this paragraph.

84. Du Pont denies the averments in this paragraph except that it admits and avers that its present investment in General Motors stock was acquired at a net cost of \$57,621,758; that it is carried on du Pont's Balance Sheet

as of December 31, 1949 at \$343,500,000; that between 1918 and 1947, inclusive, du Pont has received dividends from General Motors totaling approximately \$656,000,000; and that du Pont is without knowledge or information sufficient to form a belief as to the worth of its General Motors investment if presently offered for sale.

85. Du Pont denies the averments in this paragraph, except that it admits and avers that it has expanded the scope of its operations, among other means, by the acquisition of companies and by the organization of new companies in conjunction with other interests.

[fol. 171] 86-104. Du Pont denies that the acquisitions and expansions described in these paragraphs in any way illustrate the averments in paragraph 85, which it denies.

86. Du Pont admits the averments in this paragraph, except that it admits and avers that it acquired only certain of the assets of the Bridgeport Wood Finishing Company. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

87. Du Pont admits and avers that in 1918 it acquired only certain of the assets of the New England Oil, Paint and Varnish Company; and that in that same year it purchased through a subsidiary a majority of the common and preferred stock of Flint Varnish and Color Works; that subsequently it purchased the minority shares in Flint including those owned by General Motors in 1923; and that Flint manufactured products primarily used in finishing railroad equipment and automobiles. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

88. Du Pont admits and avers that in 1911 E. I. du Pont de Nemours Powder Company acquired 40.5 per cent interest in the then newly formed Canadian Explosives Limited (whose name was changed to Canadian Industries, Limited June 16, 1927); a large part of the remaining interest in Canadian Explosives Limited was acquired by Nobel Explosives Company, Ltd., which was engaged in the power and explosives business; that the E. I. du Pont de Nemours Powder Company interest has, after a series of transactions involving minor acquisition, sales and transfers among wholly-owned subsidiaries of du Pont, devolved upon du Pont, and now amounts to a 41.6 per cent



interest. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

89. Du Pont admits the averments in this paragraph except that it avers that it acquired a part interest in Du Pont Fabrikoid in 1913, and the company acquired in 1920 was the Du Pont Fabrikoid Company and the company formed in 1920 the Du Pont Fibersilk Company. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

90. Du Pont admits the averments in this paragraph.

91. Du Pont admits the averments in this paragraph except that it avers that Du Pont National Ammonia Company acquired a 100 per cent common stock ownership in National Ammonia Company Inc. and an 80 per cent stock interest in Pacific Nitrogen Company; that in 1928 du Pont Company acquired the minority interest in Du Pont National Ammonia Company and acquired additional stock in Lazote, Inc., bringing its interest in that firm up to 89 per cent and thereupon dissolved the Du Pont National Ammonia Company; that through ownership of National Ammonia Company, Inc. du Pont Company had a 75 per cent interest in Michigan Ammonia Works and a majority interest in Pacific Ammonia & Chemical Company. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

92. Du Pont admits the averments in this paragraph, except that it denies that it acquired full and final control [fol. 173] of the Du Pont Pathé Film Manufacturing Corporation in 1928 and avers that it acquired all of the common stock of the Du Pont Film Manufacturing Corporation in 1941. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

93-96. Du Pont admits the averments in these paragraphs.

97. Du Pont admits and avers that in 1928 it acquired directly the minority interest in Du Pont Viscoloid Company that had been formed in 1925. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

98. Du Pont admits the averments of this paragraph except that in the original organization in 1928 it together with Du Pont Rayon Company and other interests, formed

the Old Hickory Chemical Company to manufacture carbon bisulphide at Old Hickory, Tennessee; and du Pont admits and avers that at that time the aggregate holdings of itself and Du Pont Rayon Company amounted to 50 per cent of the issued stock of Old Hickory Chemical Company. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

99. DuPont admits and avers that in 1928 it acquired the properties and business of The Grasselli Chemical Company (Ohio), which included 23 plants for the production of acids and heavy chemicals, lithopone and other pigments, zinc and zinc products, and other products; that among the properties thus purchased was all the stock of a Canadian corporation which was sold shortly thereafter to Canadian [fol. 174] Industries Limited; that The Grasselli Chemical Company (a Delaware corporation) was organized to carry on the acids and heavy chemicals business thus acquired and also the pigments and heavy chemicals business of du Pont; and that the explosives business thus purchased became a part of what is now the Explosives Department of du Pont. Except as to the facts specifically admitted, du Pont denies the averments in this paragraph.

100-101. Du Pont admits the averments in these paragraphs.

102. Du Pont admits the averments in this paragraph except that in 1931 du Pont acquired the dyestuffs and organic chemical properties and business of the Newport Company and through this acquisition acquired a 63 per cent voting stock interest in Acetol Products, Inc., manufacturers of "Cel-O-Glass" and that the assets of the latter company were subsequently acquired by du Pont and the company was dissolved. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

103-104. Du Pont admits the averments in these paragraphs.

105. Du Pont denies the averments in this paragraph, except that it admits and avers that it is a substantial producer of explosives and chemicals and that in 1910 its sales were approximately \$23,200,000 and in 1947, \$783,000,000, and it is without knowledge or information sufficient to form a belief as to the truth of the averment that it is the

largest producer of explosives and chemicals located in the United States.

[fol. 175] 106. Du Pont denies the averments in this paragraph, except that it admits and avers that General Motors has during the period in which du Pont has owned stock therein expanded its operations into fields other than the manufacture and sales of passenger cars and trucks.

107. Du Pont denies the averments in this paragraph, except that it admits and avers that for a limited number of years beginning in 1927 General Motors received a volume discount on purchases over and above the approximate volume of purchases by it from du Pont during the 12 month period ending June 30, 1926.

108. Du Pont denies the averments in this paragraph except that it admits and avers that it substantially describes the terms of the discount which became applicable to purchases by General Motors from du Pont effective October 1, 1926, except that the period initially covered was for nine months only, ending June 30, 1927, instead of a year and the base figure for that period was \$6,000,000; and that the discount was in effect for only a limited period.

109. Du Pont denies the averments in this paragraph, except that it admits and avers that certain of its employees urged General Motors' employees to keep the details of the discount secret and confidential.

110. Du Pont denies the averments in this paragraph, except that it admits that the amounts due General Motors under the volume discount were distributed to the operating divisions of General Motors on the basis of the volume of purchases made by each from du Pont and avers that Executive Committee approval of the volume discount was neither requested nor given.

111. Du Pont denies the averments in this paragraph.

112. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph, except that it denies that it is controlled by any person or group of persons other than its stockholders and duly elected directors and officers in accordance with its charter and by-laws.

113-116. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in these paragraphs.



117. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph, except that it admits and avers that prior to 1928 Francis B. Davis, Jr. was employed by du Pont and had served, among other positions, as General Manager of du Pont's Pyralin Department and that Francis B. Davis, Jr. had served also as an employee of General Motors, but du Pont denies that such latter service was by its designation and du Pont further denies that U. S. Rubber executives have responded to du Pont's influence and desires either as an inevitable and intended consequence of any plan or otherwise.

118-120. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in these paragraphs.

121. Du Pont denies the averments in this paragraph. [fol. 177] 122-123. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in these paragraphs.

124. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph, except that it admits and avers that in 1929 it held approximately 46 per cent interest in the voting stock of Canadian Industries Limited.

125-132. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in these paragraphs except that it denies that it was a party to any agreement in 1930 as alleged in paragraph 125.

133. Du Pont denies the averments in this paragraph with respect to it, except that it admits and avers that its gross sales to U. S. Rubber during the period 1938 through 1947, inclusive, amounted to approximately \$66,000,000, and is without knowledge or information sufficient to form a belief as to the truth of the averments with respect to General Motors and U. S. Rubber.

## VI

### Effects of the Conspiracy

134. Du Pont denies the averments in this paragraph.

## Prayer

WHEREFORE, du Pont denies that the plaintiff is entitled to the relief prayed for in the Complaint or any part thereof [fols. 178-179] or to any other relief against du Pont and prays for judgment dismissing the Complaint.

Gerhard A. Gesell, Daniel M. Gribbon, Ferris E. Hurd, Attorneys for E. I. du Pont de Nemours and Company.

Covington, Burling, Rublee, O'Brian & Shorb, 701 Union Trust Bldg., Washington, D. C., REpublic 5900.

Pope & Ballard, 120 S. LaSalle St., Chicago 3, Ill., RAndolph 6-6680.

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[fol. 180] UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

PLAINTIFF'S MORE DEFINITE STATEMENT UNDER RULE 12(e)  
WITH RESPECT TO PARAGRAPH 18 OF THE COMPLAINT—Filed  
April 27, 1950

The defendant General Motors Corporation, as part of its cumulative and alternative motions filed March 13, 1950, moved under Rule 12(e) of the Federal Rules of Civil Procedure for a more definite statement with respect to the following first sentence of paragraph 18 which appears in the section of the complaint entitled "Nature of Trade and Commerce Involved":

18. Du Pont Company, General Motors and U. S. Rubber together constitute the largest combination of manufacturing enterprises in the United States.

The defendant General Motors, by its motion, contends that the foregoing sentence and particularly the word "combination" therein is ambiguous in that the defendants have no way of knowing whether plaintiff intends to allege that, taken together, their manufacturing enterprises are larger than any other three manufacturing enterprises, or whether the plaintiff intends to allege that there has been a "com-

ination" between the three in the sense that this term is used in the Sherman Act and that this is the largest illegal "combination" in the United States.

The plaintiff, for its more definite statement as to the manner in which it intends the word "combination" to be used in the foregoing sentence in paragraph 18 of the complaint, states as follows:

[fols. 181-183] The plaintiff uses the term "combination" in such paragraph in the sense of referring to an aggregation of industrial and manufacturing enterprises ostensibly consisting of separate, independent, and competing corporate units, but which are in fact linked together by means of a common control. The size and character of the said "combination" or aggregation and the nature and source of the control exercised with reference to said "combination" was described as follows by John J. Raskob<sup>1</sup> in a letter dated March 20, 1934 to R. R. M. Carpenter<sup>1</sup>:

... You ... are in a position to talk directly with a group that controls a larger share of industry through common-stock holdings than any other group in the United States. When I say this, I mean that I believe *there is no group, including the Rockefellers, the Morgans, the Mellons, or anyone else that begins to control*

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<sup>1</sup> John J. Raskob was a member of the Board of Directors of the defendant General Motors from 1917 to 1946, Vice-President from 1918 to 1929, a member of its Executive Committee from 1921 to 1928, a member of its Finance Committee from 1917 to 1928 and 1929 to 1931, and the Chairman of such Committee from 1918 to 1928. He was also a member of the Board of Directors of the defendant du Pont Company from 1915 to 1946, Treasurer from 1915 to 1918, Vice-President from 1918 to 1946, a member of its Finance Committee from 1915 to 1944, and a member of its Executive Committee from 1915 to 1918. R. R. M. Carpenter, the recipient of the letter referred to above, was a member of the Board of Directors of defendant du Pont from 1915 to 1948, a Vice-President from 1916 to 1946, a member of its Executive Committee from 1915 to 1919 and from 1925 to 1931 and a member of its Finance Committee from 1919 to 1921.



*and be responsible for as much industrially as is the du Pont Company.* [Emphasis supplied]

Willis L. Hotchkiss, Attorney for the United States,  
Suite 820, 208 South LaSalle St., Chicago 4, Illi-  
nois, Central 6-6886.

Dated: April 26, 1950.

[fol. 184] IN THE UNITED STATES DISTRICT COURT, NORTHERN  
DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

—ANSWER OF DEFENDANT GENERAL MOTORS CORPORATION—  
Filed April 26, 1951

Now comes General Motors Corporation, defendant in the above titled cause, and in answer to the complaint herein states:

1. Answering paragraph 1 of said complaint, this defendant states that it is advised that it is unnecessary to answer the same, but this defendant denies that it has violated individually or with others sections 1 or 2 of the Sherman Act or section 7 of the Clayton Act.

2. Answering paragraph 2 of said complaint, this defendant admits the allegations thereof.

[fol. 185] 3. Answering paragraph 3 of said complaint, this defendant admits that the corporations and persons therein mentioned are named as defendants and have their principal offices or residences at the places stated in said paragraph 3; and this defendant states that General Motors Corporation is a Delaware corporation with principal offices at 3044 West Grand Boulevard, Detroit, Michigan; that in 1917 it acquired the assets of General Motors Company; that Pierre S. du Pont was a director of General Motors Corporation from 1917 to 1944; that he was President from 1920 to 1923; and that he was Chairman of the Board of Directors from 1917 to 1929; but denies that he was a member of or Chairman of the Executive Committee of the Board of Directors from 1918 to 1921 and avers that he was a member of the Executive Committee from 1921 to 1929

and Chairman of the Executive Committee from 1921 to 1923; admits that he was a member of the Finance Committee from 1917 to 1921 and further avers that he was a member of the Finance Committee from 1921 to 1937; admits that Lamhot du Pont was a director of General Motors Corporation from 1918 to 1946 and that he was Chairman of the Board of Directors from 1929 to 1937; denies that Lamhot du Pont was ever Chairman of the Executive Committee of the Board of Directors; denies that he was a member of the Executive Committee from 1921 to 1929, but avers that he was a member of the Executive Committee from 1930 to 1934; denies that he was a member of the Finance Committee in 1917, but admits that he was a member from 1918 to 1937; admits that Irene du Pont was a director of General Motors Corporation from 1918 to 1938 and that he was a member of the Finance Committee of the Board of Directors from 1918 to 1937, but denies that Irene du Pont was ever a member of the Executive Committee or of the Policy Committee of General Motors Corporation; and this defendant further states that it is with- [fol. 186] out knowledge or information sufficient to form a belief as to the truth of the other allegations of said paragraph 3.

4. Answering paragraph 4 of said complaint, this defendant states that it is advised that it is unnecessary to answer the same.

5. Answering paragraph 5 of said complaint, this defendant states that it is advised that it is unnecessary to answer the same.

6. Answering paragraph 6 of said complaint, this defendant states that it is advised that it is unnecessary to answer the same.

7. Answering paragraph 7 of said complaint, this defendant states that it is advised that it is unnecessary to answer the same.

8. Answering paragraph 8 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations thereof.

9. Answering paragraph 9 of said complaint, this defendant states that it is without knowledge or informa-

tion sufficient to form a belief as to the truth of the allegations thereof.

10. Answering paragraph 10 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations thereof.

11. Answering paragraph 11 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations thereof.

12. Answering paragraph 12 of said complaint, this defendant states that it is without knowledge or information [fol. 187] sufficient to form a belief as to the truth of the allegations thereof.

13. Answering paragraph 13 of said complaint, this defendant denies that it owns any voting stock of Kinetic Chemicals, Inc., and states that on December 30, 1949, it sold all of its stock in Kinetic Chemicals, Inc., to the du Pont Company and since that date has had no financial interest therein. Further answering said paragraph 13, this defendant admits that it owns approximately one-third of the voting stock of International Freightling Corporation, Inc., a corporation which operates a steamship and general chartering business between the Atlantic coast, Gulf coast, and South American ports, and that the balance of said stock is owned by the du Pont Company. This defendant is without knowledge or information sufficient to form a belief as to the truth of the other allegations of said paragraph 13.

14. Answering paragraph 14 of said complaint, this defendant admits that its principal business consists of the manufacture of passenger cars and trucks, including various parts and accessories; that it produces the Chevrolet, Buick, Oldsmobile, Pontiac and Cadillac passenger cars and Chevrolet and GMC trucks; that in 1947 it sold approximately 1,931,000 passenger cars and trucks in the United States and Canada and for shipment overseas; and that it manufactures parts and accessories for use in its own cars as well as for sale and use in cars and trucks produced by other automobile and truck manufacturers. This defendant denies that in the period of 1937 to 1941 its average annual sales of passenger cars and trucks were 1,832,466



units and states that they were approximately 1,700,000 units. This defendant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in said paragraph 14.

15. Answering paragraph 15 of said complaint, this defendant [fol. 188] admits the allegations thereof except that it states that it is without knowledge or information sufficient to form a belief as to the truth of the allegation that it is the largest manufacturer of railroad Diesel locomotives in the United States.

16. Answering paragraph 16 of said complaint, this defendant admits the allegations thereof except that it denies that it has any interest in Kinetic Chemicals, Inc., and denies that at all times prior to 1948, Ethyl Corporation was the sole producer of ethyl fluid, and states that ethyl fluid is not wholly made from tetraethyl lead but that it contains tetraethyl lead; and further states that a number of the subsidiaries of this defendant are non-operating corporations.

17. Answering paragraph 17 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations thereof.

18. Answering paragraph 18 of said complaint, this defendant admits that for the year 1947 its assets, sales volume and net income after taxes were substantially as therein alleged. This defendant is without knowledge or information sufficient to form a belief as to the truth of the other allegations contained in said paragraph 18 except that this defendant denies that it is a member of any combination of manufacturers.

19. Answering paragraph 19 of said complaint, this defendant denies the allegations thereof but states that General Motors, U. S. Rubber and du Pont Company each maintain production and distribution facilities in several states of the United States and that products produced by them are sold and shipped in commerce among several states of the United States.

20. Answering paragraph 20 of said complaint, this defendant admits that du Pont Company produces products [fol. 189] which are used in the operations of General Motors, that du Pont Company has sold to General Motors

lacquers; paints, varnishes, thinners, antifreeze preparations, coated fabrics and artificial leather, that du Pont Company also sells other products to General Motors, and that du Pont Company has sold tetraethyl lead, alcohol and ethyl chloride to Ethyl Corporation. This defendant denies that Ethyl Corporation is a General Motors subsidiary and denies that it was organized in furtherance of any conspiracy. As to the remaining allegations contained in said paragraph 20, this defendant is without knowledge or information sufficient to form a belief as to the truth thereof.

21. Answering paragraph 21 of said complaint, this defendant admits that U. S. Rubber sells to General Motors tires and tubes for use as original equipment on General Motors cars and trucks as well as some other products and admits that U. S. Rubber is its principal supplier of tires and tubes for use as original equipment on the cars and trucks produced and sold by General Motors and its subsidiaries. This defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in said paragraph 21 with respect to the dollar value of sales of tires and tubes to General Motors. Except as herein admitted and averred, this defendant denies the allegations of said paragraph 21.

22. Answering paragraph 22 of said complaint, this defendant denies the same except that it admits that it has sold some trucks to U. S. Rubber and du Pont Company.

23. Answering paragraph 23 of said complaint, this defendant admits the allegations therein contained except that this defendant has no knowledge or information as to products sold by the other defendant manufacturers to each other.

[fol. 190] 24. Answering paragraph 24 of said complaint, this defendant denies the same.

25. Answering paragraph 25 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

26. Answering paragraph 26 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

27. This defendant is advised that it need not answer paragraph 27 of said complaint since the same has been stricken by court order.

28. Answering paragraph 28 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

29. Answering paragraph 29 of said complaint, this defendant denies each and every allegation therein contained.

30. Answering paragraph 30 of said complaint, this defendant denies each and every allegations therein contained.

31. Answering paragraph 31 of said complaint, this defendant denies each and every allegation therein contained.

32. Answering paragraph 32 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

33. Answering paragraph 33 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

34. Answering paragraph 34 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

[fol. 191] 35. Answering paragraph 35 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

36. Answering paragraph 36 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

37. Answering paragraph 37 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

38. Answering paragraph 38 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

39. Answering paragraph 39 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof.

40. Answering paragraph 40 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth thereof except that this defendant admits that in 1917 Pierre S. du Pont was a stockholder in General Motors Company and in Chevrolet Motor Company and that Chevrolet Motor Company then held a majority of the stock of General Motors Company.

41. Answering paragraph 41 of said complaint, this defendant denies the same except that this defendant states that it is without knowledge or information sufficient to



form a belief as to the truth of the allegation that on December 21, 1917, the Executive and Finance Committees of the du Pont Company approved the acquisition by du Pont Company of an interest in General Motors Company and Chevrolet Motor Company, and the allegation that a new company, General Industries, Inc., all of whose stock was held by du Pont Company, was set up with an authorized [fol. 192] capital of \$25,000,000 to accomplish the actual purchase of General Motors and Chevrolet stock.

42. Answering paragraph 42 of said complaint, this defendant denies the same except that it states that it is without knowledge or information sufficient to form a belief as to the amount of stock in General Motors and Chevrolet Motor Company held by General Industries, Inc., on March 8, 1918.

43. Answering paragraph 43 of said complaint, this defendant admits that after March 8, 1918, du Pont American Industries, Inc., purchased stock in General Motors and Chevrolet Motor Company, but states that it is without knowledge or information sufficient to form a belief as to the stock holdings of du Pont American Industries, Inc., in General Motors Corporation. This defendant admits that General Motors acquired the physical assets of Chevrolet Motor Company and that Chevrolet is a division of General Motors.

44. Answering paragraph 44 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that this defendant admits that William Durant was an organizer of General Motors Corporation and that du Pont Company after 1920 acquired some stock in General Motors Corporation.

45. Answering paragraph 45 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that this defendant admits that Canadian Industries, Ltd., acquired stock in General Motors and that J. P. Morgan & Company has sometimes aided in financing the capital needs of General Motors.

46. Answering paragraph 46 of said complaint, this defendant denies the allegations therein contained except that [fol. 193] this defendant states that individuals who were partners or officers of J. P. Morgan & Company have been

from time to time since 1920 elected to the Board of Directors of General Motors.

47. Answering paragraph 47 of said complaint, this defendant denies the allegations thereof except that it admits that for several years prior to 1950, du Pont Company was the owner of record of 10,000,000 shares of General Motors stock, or approximately 23% of the approximately 44,000,000 outstanding shares of General Motors common stock; that in 1950 the common shares of General Motors were split 2 for 1 and since that time du Pont Company has been the owner of record of 20,000,000 shares of the approximately 88,000,000 outstanding shares of General Motors common stock; and that this defendant admits that in 1947 it had 436,510 stockholders located in the various states of the United States and foreign countries and that 92% of these stockholders owned no more than 100 shares each and that 60% owned no more than 25 shares each.

48. Answering paragraph 48 of said complaint, this defendant denies the allegations therein contained except that it admits that the Financial Policy Committee (formerly known as Finance Committee) of General Motors performs the functions specified in the bylaws of General Motors and this defendant refers to such bylaws for a true statement thereof; and that as to the allegations regarding the Finance and Executive Committees in the du Pont Company this defendant has no knowledge or information sufficient to form a belief as to the truth thereof.

49. Answering paragraph 49 of said complaint, this defendant denies the allegations therein contained.

50. Answering paragraph 50 of said complaint, this defendant denies the allegations therein contained except that [fol. 194] it admits that the persons named in said paragraph were members of the Finance Committee of the Board of Directors of General Motors in 1918 and that it states that it is without knowledge or information sufficient to form a belief as to the positions of said persons with the du Pont Company as therein alleged.

51. Answering paragraph 51 of said complaint, this defendant denies each and every of the allegations therein contained.

52. Answering paragraph 52 of said complaint, this defendant states that it has no knowledge or information

sufficient to form a belief as to the truth of the allegations regarding the positions which the individual defendants have held with the du Pont Company; that it admits that Pierre S. du Pont held the positions therein stated in General Motors; that Lammot du Pont was a director and Chairman of the Board of General Motors during the period set forth in said paragraph, but that he was a member of the Finance Committee of General Motors only during the period from 1918 to 1937 and a member of the Executive Committee of General Motors only during the period from 1930 to 1934; and admits that Irene du Pont was a director of General Motors as alleged in said paragraph but denies that he was ever a member of any successor committee to the Finance Committee and states that he was a member of the Finance Committee of General Motors only from 1918 to 1937 and that he was never a member of the Executive Committee of General Motors.

53. Answering paragraph 53 of said complaint, this defendant states that in 1923 it caused Managers Securities Company to be organized and that it paid to said company a specified percentage of the net earnings of General Motors annually from 1923 to 1929 inclusive; that General Motors Securities Company sold to Managers Securities Company 30% of the common stock of General Motors Securities [fol. 195] Company, that being the equivalent of 2,250,000 shares of the then common stock of General Motors; that it purchased the entire Class A and Class B stock of Managers Securities Company and sold such Class A and Class B stock to certain General Motors executives; that payments of the specified percentage of General Motors' earnings to Managers Securities Company were credited on the books of Managers Securities Company to the Class A surplus account for the benefit of the Class A stock; that substantially all other net income of Managers Securities Company was credited on the books of Managers Securities Company to the general surplus account for the benefit of the Class B stock. Except as otherwise herein stated, this defendant denies the allegations of paragraph 53.

54. Answering paragraph 54 of said complaint, this defendant denies the allegations therein contained except that it states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations



relating to the worth of the stock of Managers Securities Company.

55. Answering paragraph 55 of said complaint, this defendant denies the allegations therein contained except that it admits that throughout the period that the General Motors Bonus Plan has been in operation, awards of bonus have been determined under the supervision of its Finance Committee or its Bonus and Salary Committee; that throughout such period individuals who were officers or directors of du Pont Company have served on the Finance Committee or the Bonus and Salary Committee of General Motors; and that throughout such period the executive personnel of General Motors have known of the existence of the General Motors Bonus Plan.

56. Answering paragraph 56 of said complaint, this defendant denies each and every of the allegations therein contained.

57. Answering paragraph 57 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that it admits that in 1917 celluloid in transparent form was used in making side curtains for automobiles and that artificial leather was used in automobile seats and upholstery and that it denies that beginning in or about 1917, or that at any other time, General Motors has purchased all or substantially all of its requirements of celluloid or artificial leather from du Pont Company.

58. Answering paragraph 58 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

59. Answering paragraph 59 of said complaint, this defendant denies the allegations therein contained except that it states that it is without knowledge or information sufficient to form a belief as to the extent to which du Pont was engaged in the production of paints and varnishes and related products in 1917 or as to the knowledge of du Pont Company regarding the market that General Motors would constitute for paints, varnishes, lacquers, thinners, enamels and the like, or as to any program of du Pont for the acquisition of independent companies engaged in the production of such products, or as to any companies so acquired by

du Pont, and further states that the products of Flint Varnish & Color Works were primarily used in finishing railroad equipment and automobiles at the time it was acquired by du Pont Company and that at or about said time General Motors acquired and held a minority interest in the common stock of said Flint Varnish & Color Works which it subsequently sold to du Pont Company.

[fol. 197] 60. Answering paragraph 60 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that it states that prior to and at various times during and subsequent to 1917 this defendant has purchased from time to time fabrics and finishes from du Pont Company, but denies that it has purchased all or substantially all of its requirements of such items from du Pont Company.

61. Answering paragraph 61 of said complaint, this defendant states that at the time du Pont Company first acquired a substantial stock interest in General Motors and at all times subsequent thereto this defendant has operated through somewhat autonomous operating divisions, each of which has its own purchasing departments, which have made substantial purchases for their respective divisions with but limited supervision from the Central Office of General Motors. Further answering said paragraph 61, this defendant states that a General Purchasing Committee was established in or about 1922; that at times said Committee met approximately monthly; that the membership of said Committee was made up in part by the purchasing agents of certain of the operating divisions, and that the chairman of said Committee was at all times during its existence one of the high executives of General Motors. Except as otherwise herein stated, this defendant denies each and every of the allegations contained in said paragraph 61.

62. Answering paragraph 62 of said complaint, this defendant denies each and every of the allegations therein contained.

63. Answering paragraph 63 of said complaint, this defendant denies the allegations therein contained except that it states that it is without knowledge or information sufficient to form a belief as to the truth of the allegation con-

[fol. 198] cerning the volume of the direct sales by du Pont Company to General Motors and Ethyl Corporation.

64. Answering paragraph 64 of said complaint, this defendant denies the allegations therein contained except that it states that it is without knowledge or information sufficient to form a belief as to the truth of the allegation as to the expansion of du Pont Company.

65. Answering paragraph 65 of said complaint, this defendant denies the allegations therein contained.

66. Answering paragraph 66 of said complaint, this defendant denies the allegations therein contained except that it states that in 1919 it was engaged in research into the nature and causes of "knocking" in internal combustion engines; that this research eventually resulted in the discovery of tetraethyl lead as a knock suppressor when added to gasoline; that it discovered the ethyl bromide process for manufacturing tetraethyl lead; and that it secured patents on the use of tetraethyl lead in gasoline as an anti-knock and on the ethyl bromide process of manufacture.

67. Answering paragraph 67 of said complaint, this defendant denies the allegations therein contained except that it states that in 1922 it entered into a contract with du Pont Company for the manufacture by the latter of tetraethyl lead, for the terms of which contract this defendant refers to the original thereof.

68. Answering paragraph 68 of said complaint, this defendant states that the tetraethyl lead which was manufactured by du Pont Company pursuant to the terms of the agreement referred to in paragraph 67 of this answer was for a time distributed by a General Motors subsidiary which was organized to handle the marketing of tetraethyl lead to oil companies. Further answering said paragraph 68, this defendant states that said General Motors subsidiary entered into an agreement in or about 1924 with Standard Oil Company of New Jersey (Standard Oil) giving that [fol. 199] company certain rights. For a correct statement of the terms of said agreement, this defendant refers to the original thereof. Further answering said paragraph 68, this defendant states that prior to the execution of said agreement with Standard Oil, the latter developed a method of producing tetraethyl lead from ethyl chloride which was cheaper than the ethyl bromide method. Further answer-



ing said paragraph 68, this defendant states that in 1923 du Pont Company constructed a plant at Deep Water, New Jersey, at which it produced tetraethyl lead under the bromide process. Further answering said paragraph 68, this defendant states that with respect to the allegations thereof as to the enthusiasm of oil companies and the anticipations of du Pont Company, this defendant has no knowledge or information sufficient to form a belief as to the truth thereof. Except as otherwise herein stated, this defendant denies the allegations of said paragraph 68.

69. Answering paragraph 69 of said complaint, this defendant denies each and every allegation thereof.

70. Answering paragraph 70 of said complaint, this defendant denies the allegations therein contained except that it states that in 1924 Ethyl Gasoline Corporation was organized; that its name was later changed to Ethyl Corporation; and that the voting stock in Ethyl Gasoline Corporation at the time of its organization was held equally by General Motors and Standard Oil Company of New Jersey.

71. Answering paragraph 71 of said complaint, this defendant denies each and every of the allegations thereof.

72. Answering paragraph 72 of said complaint, this defendant denies the allegations therein contained except that it states that certain ethyl patents expired about December, 1947, and that in 1938 and thereafter du Pont Company and Ethyl Corporation entered into certain agreements relating to the manufacture of tetraethyl lead, for the terms of [fol. 200] which agreements this defendant refers to the originals thereof.

73. Answering paragraph 73 of said complaint, this defendant denies the allegations therein contained except that it states that on or about January 1, 1948, du Pont Company ceased the manufacture of tetraethyl lead for the account of Ethyl Corporation and since that time has been manufacturing tetraethyl lead and blending tetraethyl compounds and distributing such compounds through its own organizations.

74. Answering paragraph 74 of this complaint, this defendant denies each and every of the allegations therein contained.

75. Answering paragraph 75 of said complaint, this defendant states that it is without knowledge or information

sufficient to form a belief as to the truth of the allegations therein contained.

76. Answering paragraph 76 of said complaint, this defendant denies the allegations therein contained except that it states that during the latter part of the 1920's Frigidaire Corporation developed certain fluorine compounds for use as refrigerants in connection with electric refrigeration; that such fluorine compounds had certain desirable characteristics as refrigerants; that Frigidaire Corporation, as a manufacturer of electric refrigerators, was interested in the possibility of using such fluorine compounds as refrigerants and that thereafter Frigidaire Corporation secured certain patents in respect to such fluorine compounds.

77. Answering paragraph 77 of said complaint, this defendant denies each and every of the allegations therein contained.

78. Answering paragraph 78 of said complaint, this defendant denies the allegations therein contained except that [fol. 201] it states that as of August 27, 1930, this defendant and du Pont Company entered into a written agreement for the formation of Kinetic Chemicals, Inc., for the terms of which agreement this defendant refers to the original thereof. That said Kinetic Chemicals, Inc., was organized, that du Pont Company purchased 51% of its common stock and this defendant purchased 49% of its common stock, and that Frigidaire Corporation and Kinetic Chemicals, Inc., entered into a license agreement in respect to certain patents and patent applications.

79. Answering paragraph 79 of said complaint, this defendant denies each and every of the allegations therein contained.

80. Answering paragraph 80 of said complaint, this defendant denies the allegations therein contained except that it states that Frigidaire Corporation was the first customer of Kinetic Chemicals, Inc.; that Kinetic Chemicals, Inc., sold its refrigerants to companies other than General Motors, and that during a period of time Kinetic Chemicals, Inc., sold one form of its patented refrigerants only to Frigidaire Division of General Motors.

81. Answering paragraph 81 of said complaint, this de-

defendant denies each and every of the allegations therein contained.

82. Answering paragraph 82 of said complaint, this defendant denies each and every of the allegations therein contained.

83. Answering paragraph 83 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

84. Answering paragraph 84 of said complaint, this defendant denies the allegations therein contained except that it states that it is without knowledge or information sufficient to form a belief as to the present value of du Pont Company's stock holdings in General Motors and as to the cost of acquisition of such stock holdings.

85. Answering paragraph 85 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that it denies that it was a closed market for du Pont Company and that du Pont Company had control over, or competitive advantages as to, this defendant.

86. Answering paragraph 86 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

87. Answering paragraph 87 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that it states that in 1923 it sold 500 shares of stock of Flint Varnish & Color Works to du Pont Company and that Flint Varnish & Color Works specialized in the production of finishes for railroad equipment and automobiles.

88. Answering paragraph 88 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

89. Answering paragraph 89 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.



90. Answering paragraph 90 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

[fol. 203] 91. Answering paragraph 91 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

92. Answering paragraph 92 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

93. Answering paragraph 93 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

94. Answering paragraph 94 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

95. Answering paragraph 95 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

96. Answering paragraph 96 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

97. Answering paragraph 97 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

98. Answering paragraph 98 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

99. Answering paragraph 99 of said complaint, this defendant states that it is without knowledge or information [fol. 204] sufficient to form a belief as to the truth of the allegations therein contained.

100. Answering paragraph 100 of said complaint, this defendant states that it is without knowledge or informa-

tion sufficient to form a belief as to the truth of the allegations therein contained.

101. Answering paragraph 101 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that it states that in 1930 it formed Kinetic Chemicals, Inc., jointly with the du Pont Company, which at that time acquired 51% of the capital stock of said Kinetic Chemicals, Inc.

102. Answering paragraph 102 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

103. Answering paragraph 103 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

104. Answering paragraph 104 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

105. Answering paragraph 105 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

106. Answering paragraph 106 of said complaint, this defendant denies the allegations therein contained except that it states that it has further expanded its operations since 1917 into fields other than the manufacture and sale of passenger cars and trucks.

[fol. 205] 107. Answering paragraph 107 of said complaint, this defendant denies the allegations therein contained except that it states that beginning with 1927 and for a limited time thereafter it received a volume discount from du Pont Company on its purchases from that company.

108. Answering paragraph 108 of said complaint, this defendant denies the allegations therein contained except that it states that said paragraph substantially describes the terms of the discount which became payable on purchases by General Motors from du Pont Company effective October 1, 1926; that the period initially covered was for

nine months only, ending June 30, 1927, instead of a year; that the base figure for that period was \$6,000,000; and that the discount was in effect for only a limited period.

109. Answering paragraph 109 of said complaint, this defendant denies the allegations therein contained except that it states that certain employees of du Pont Company urged certain employees of this defendant to keep the details of the discount plan secret and confidential, and further states that it has no knowledge or information sufficient to form a belief as to the truth of the allegation in said paragraph 109 regarding the financing of any rebate arrangement by du Pont Company.

110. Answering paragraph 110 of said complaint, this defendant denies the allegations therein contained except that it states that the amounts paid to General Motors under the volume discount were distributed to the operating divisions of General Motors on the basis of the volume of purchases made by each from du Pont Company, and further states that it has no knowledge or information sufficient to form a belief as to the truth of the allegations in said paragraph 110 regarding approval by the Executive Committee of du Pont Company and the making of any plan a matter of record.

[fol. 206] 111. Answering paragraph 111 of said complaint, this defendant denies the allegations therein contained.

112. Answering paragraph 112 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

113. Answering paragraph 113 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

114. Answering paragraph 114 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

115. Answering paragraph 115 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.



116. Answering paragraph 116 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

117. Answering paragraph 117 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained, except that it denies that Francis B. Davis, Sr., ever served in a high executive capacity with this defendant.

118. Answering paragraph 118 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

119. Answering paragraph 119 of said complaint, this [fol. 207] defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

120. Answering paragraph 120 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

121. Answering paragraph 121 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained.

122. Answering paragraph 122 of said complaint, this defendant denies the allegations therein contained except that it states that prior to 1929 it was one of the largest buyers in the United States of tires and tubes for use as original equipment on cars and trucks, and further states that it is without knowledge or information sufficient to form a belief as to the regard that manufacturers of tires and tubes had for original equipment business.

123. Answering paragraph 123 of said complaint, this defendant denies each and every allegation thereof.

124. Answering paragraph 124 of said complaint, this defendant denies each and every allegation thereof.

125. Answering paragraph 125 of said complaint, this defendant denies the allegations therein contained except that it states that on January 1, 1931, it entered into a contract with United States Rubber Company, and shortly

thereafter a supplementary agreement, for the terms of which said agreements this defendant refers to the originals thereof.

126. Answering paragraph 126 of said complaint, this defendant denies the allegations therein contained and refers to the originals of the agreements mentioned in [fol. 208] paragraph 125 of this answer for a correct statement of the terms thereof.

127. Answering paragraph 127 of said complaint, this defendant denies the allegations therein contained and refers to the originals of the agreements mentioned in paragraph 125 of this answer for a correct statement of the terms thereof.

128. Answering paragraph 128 of said complaint, this defendant denies the allegations therein contained except that it states that it entered into an agreement with United States Rubber supplementary to the agreement of January 1, 1931, which supplementary agreement related to spare tires, to the original of which agreement this defendant refers for a corrected statement of its terms.

129. Answering paragraph 129 of said complaint, this defendant denies the allegations therein contained except that it states that from time to time in 1932 and 1933 it entered into agreements with United States Rubber, to the originals of which agreements it refers for a correct statement of the terms thereof.

130. Answering paragraph 130 of said complaint, this defendant denies the allegations therein contained except that it states that on December 17, 1934, it entered into a written agreement with United States Rubber, to the original of which agreement it refers for a correct statement of the terms thereof.

131. Answering paragraph 131 of said complaint, this defendant denies the allegations thereof except that it states that in August of 1936 it entered into agreements with United States Rubber Products, Inc., for the manufacture of tires and tubes, to the originals of which agreements this defendant refers for a correct statement of the terms thereof; that these agreements were cancelled by letter agreement dated May 8, 1942, to the original of which this [fols. 209-210] defendant refers for a correct statement of the terms thereof; and that subsequent to the war, General

Motors has purchased tires and tubes from United States Rubber.

132. Answering paragraph 132 of said complaint, this defendant states that it is without knowledge or information sufficient to form a belief as to the truth of the allegations therein contained except that it denies that it was a guaranteed non-competitive market for tires and tubes manufactured by United States Rubber.

133. Answering paragraph 133 of said complaint, this defendant denies each and every of the allegations therein contained.

134. Answering paragraph 134 of said complaint, this defendant denies each and every of the allegations therein contained.

WHEREFORE, defendant denies that the plaintiff is entitled to the relief prayed for in the complaint or to any other relief, and prays that the complaint be dismissed.

Henry M. Hogan, 3044 West Grand Boulevard, Detroit 2, Michigan, Ferris E. Hurd, 120 South La Salle Street, Chicago 3, Illinois, Attorneys for Defendant, General Motors Corporation.

April 16, 1951.

[fol. 211] UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

PLAINTIFF'S MOTION TO AMEND THE COMPLAINT—Filed  
July 3, 1952

Plaintiff, by its attorneys, moves, pursuant to the provisions of Rules 15(a) and 21 of the Federal Rules of Civil Procedure, for leave to amend the complaint in this cause of action in the manner set forth in the amendment attached hereto and made a part hereof.

#### *Grounds of Motion*

The plaintiff seeks, in order to obtain effective relief in this cause and to dissipate the effects of the combination and conspiracy alleged in the complaint, to name as de-



defendants, certain persons against whom the plaintiff originally sought to proceed by means of a class or representative suit under Rule 23(a) of the Federal Rules of Civil Procedure. This Court has held that a judgment rendered by it in this cause of action would not be binding on the members of the class proceeded against by representation under Rule 23(a), and that such a representative suit may, therefore, not lie in this action. The plaintiff accordingly seeks to continue the cause of action against certain persons who were identified as members of the defendant class in plaintiff's petition for issuance of show cause orders, in order that the relief prayed for in the complaint may be asserted against such persons in their capacity as individually named defendants.

[fol. 212] Plaintiff further seeks to add the Wilmington Trust Company of Wilmington, Delaware as a defendant in this cause of action, in order that complete and effective relief may be obtained in this cause of action.

Willis L. Hotchkiss, Paul V. Ford, Dorothy M. Hunt,  
Attorneys for the United States, Suite 820, 208  
South LaSalle Street, Chicago 4, Illinois, Central  
6-6886.

[fol. 213] UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

#### AMENDMENT TO COMPLAINT

The complaint heretofore filed in this cause of action on June 30, 1949, is amended in the following respects:

1. Paragraphs 9 to 11, inclusive, are stricken.
2. The following paragraphs, numbered as designated, are substituted for those stricken:

9. Each of the following persons, who collectively will be referred to hereinafter as "class defendants," is named as a defendant herein. Each is a member of the du Pont family and more particularly is a member of the family of one of the eight brothers and sisters of the defendant Pierre S. du Pont. Such class de-

endants are hereinafter listed according to such family groups, with the family relationship to the head of the family group and the address of the defendant being stated, and the minors being identified as such:

[fol. 214] (a) The Family of Defendant Irene du Pont

1. Irene du Pont, Granogue, Delaware, Wife of defendant Irene du Pont.

. . . . .

2. IRENE SOPHIE DU PONT MAY, Granogue, Delaware, Daughter of Irene du Pont.

3. Ernest Nugent May, Granogue, Delaware, Husband of foregoing.

4. Ernest Nugent May, Jr., Granogue, Delaware, Grandchild of Irene du Pont.

5. Irene du Pont May, Granogue, Delaware, Grandchild of Irene du Pont.

6. Thomas Henry May, a minor, Granogue, Delaware, Grandchild of Irene du Pont.

7. John Eric May, a minor, Granogue, Delaware, Grandchild of Irene du Pont.

. . . . .

8. MARGARETTA DU PONT GREENEWALT, Greenville, Delaware, Daughter of Irene du Pont.

9. Crawford Hallock Grenewalt, Greenville, Delaware, Husband of foregoing.

10. Nancy Grennewalt Frederick, Greenville, Delaware, Grandchild of Irene du Pont.

11. David Grenewalt, Greenville, Delaware, Grandchild of Irene du Pont.

12. Crawford Hallock Greenewalt, Jr., a minor, Greenville, Delaware, Grandchild of Irene du Pont.

. . . . .

13. CONSTANCE DU PONT DARDEN, Charlottesville, Virginia, Daughter of Irene du Pont.

14. Colgate Whitehead Darden, Jr., Charlottesville, Virginia, Husband of foregoing.

15. Colgate Whitehead Darden, III, Charlottesville, Virginia, Grandchild of Irene du Pont.

16. Pierre Samuel du Pont Darden, a minor, Charlottesville, Virginia, Grandchild of Irene du Pont.

17. Irene Sophie du Pont Darden, a minor, Charlottesville, Virginia, Grandchild of Irene du Pont.

[fol. 215] 18. ELEANOR DU PONT RUST, Thomasville, Georgia, Daughter of Irene du Pont.

19. Philip Goodenow Rust, Jr., a minor, Thomasville, Georgia, Grandchild of Irene du Pont.

20. Francis Gurney du Pont Rust, a minor, Thomasville, Georgia, Grandchild of Irene du Pont.

21. Henry Rust, a minor, Thomasville, Georgia, Grandchild of Irene du Pont.

22. Richard Cutts Rust, a minor, Thomasville, Georgia, Grandchild of Irene du Pont.

23. MARIANA DU PONT SILLIMAN, Montchanin, Delaware, Daughter of Irene du Pont.

24. Henry Harper Silliman, Montchanin, Delaware, Husband of foregoing.

25. Henry Harper Silliman, Jr., a minor, Montchanin, Delaware, Grandchild of Irene du Pont.

26. Doris du Pont Silliman, a minor, Montchanin, Delaware, Grandchild of Irene du Pont.

27. Eleanor Howland Silliman, a minor, Montchanin, Delaware, Grandchild of Irene du Pont.

28. Mariana du Pont Silliman, a minor, Montchanin, Delaware, Grandchild of Irene du Pont.

29. Robert Morris Silliman, a minor, Montchanin, Delaware, Grandchild of Irene du Pont.

30. OCTAVIA MARY DU PONT BREDIN, Greenville, Delaware, Daughter of Irene du Pont.

31. John Bruce Bredin, Wilmington, Delaware or Greenville, Delaware, Husband of foregoing.

32. Stephanie Sophie du Pont Bredin, a minor, Wilmington, Delaware or Greenville, Delaware, Grandchild of Irene du Pont.



33. Margaretta Starett Bredin, a minor, Wilmington, Delaware or Greenville, Delaware, Grandchild of Irene du Pont.

[fol. 216] 34. LUCILE DU PONT FLINT, Greenville, Delaware, Daughter of Irene du Pont.

35. Robert Barnett Flint, Greenville, Delaware, Husband of foregoing.

36. Robert Barnett Flint, Jr., a minor, Greenville, Delaware, Grandchild of Irene du Pont.

37. Peter Hubbard Flint, a minor, Greenville, Delaware, Grandchild of Irene du Pont.

38. Alice Lucile Flint, a minor, Greenville, Delaware, Grandchild of Irene du Pont.

39. Henry Alexis Flint, a minor, Greenville, Delaware, Grandchild of Irene du Pont.

40. Constance Evelyn Flint, a minor, Greenville, Delaware, Grandchild of Irene du Pont.

41. IRENEE DU PONT, JR., 5 Fern Road, Charleston, West Virginia; Son of Irene du Pont.

(b) The Family of Defendant Lammot du Pont

42. NATALIE DU PONT EDMONDS, Wilmington, Delaware, Daughter of Lammot du Pont.

43. George Phippen Edmonds, Wilmington, Delaware, Husband of foregoing.

44. George Phippen Edmonds, Jr., a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

45. Andrew Wilson Edmonds, a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

46. MARY DU PONT FAULKNER, 255 Goddard Avenue, Brookline, Mass., Daughter of Lammot du Pont.

47. Herbert Kimball Faulkner, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

48. Elise du Pont Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

49. Emily Morison Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

[fol. 217] 50. Charles Stearns Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

51. Rosemary Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

52. Henry Belin Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

53. Andrew Gray Faulkner, a minor, 255 Goddard Avenue, Brookline, Mass., Grandchild of Lammot du Pont.

. . . . .

54. ESTHER DU PONT WEIR, Rockland, Delaware, Daughter of Lammot du Pont.

. . . . .

55. LAMMOT DU PONT, JR., Wilmington, Delaware, Son of Lammot du Pont.

56. Lammot du Pont, III, a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

57. William Foster du Pont, a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

. . . . .

58. PIERRE SAMUEL DU PONT, III, Rockland, Delaware, Son of Lammot du Pont.

59. Pierre Samuel du Pont, IV, a minor, Rockland, Delaware, Grandchild of Lammot du Pont.

60. Jane de Doliete du Pont, a minor, Rockland, Delaware, Grandchild of Lammot du Pont.

61. Michele Wainwright du Pont, a minor, Rockland, Delaware, Grandchild of Lammot du Pont.

. . . . .

62. EDITH DU PONT RIEGEL, Montchanin, Delaware, Daughter of Lammot du Pont.

63. Edith du Pont Riegel (Jr.), a minor, Montchanin, Delaware, Grandchild of Lammot du Pont.

64. Richard Eveland Riegel, Jr., a minor, Montchanin, Delaware, Grandchild of Lammot du Pont.

[fol. 218] 65. John Ely Riegel, a minor, Montchanin, Delaware, Grandchild of Lammot du Pont.

66. Natalie Margaret Riegel, a minor, Montchanin, Delaware, Grandchild of Lammot du Pont.

67. ALEXANDRINE DU PONT PERKINS COLLIER, Wilmington, Delaware, Daughter of Lammot du Pont.

68. REYNOLDS DU PONT, Wilmington, Delaware, Son of Lammot du Pont.

69. Katharine Lewars du Pont, Wilmington, Delaware, Wife of foregoing.

70. Katharine du Pont, a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

71. Reynolds du Pont, Jr., a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

72. Thomas Lewars du Pont, a minor, Wilmington, Delaware, Grandchild of Lammot du Pont.

73. DAVID FLETT DU PONT, a minor, Wilmington, Delaware, Son of Lammot du Pont.

74. WILLIS HARRINGTON DU PONT, a minor, Wilmington, Delaware, Son of Lammot du Pont.

(c) The Family of William Kemble du Pont (Deceased)

75. S. HALLOCK DU PONT, Wilmington, Delaware, Son of William Kemble du Pont (Deceased).

76. Virginia Simmons du Pont, Wilmington, Delaware, Wife of foregoing.

77. Eve du Pont Remer, Whitmarsh, Pennsylvania, Grandchild of William Kemble du Pont (Deceased).

78. S. Hallock du Pont, Jr., a minor, Wilmington, Delaware, Grandchild of William Kemble du Pont (Deceased).

79. William Kemble du Pont, a minor, Wilmington, Delaware, Grandchild of William Kemble du Pont (Deceased).

80. Richard Simmons du Pont, a minor, Wilmington, Delaware, Grandchild of William Kemble du Pont (Deceased).



[fol. 219] 81. PAULINA DU PONT DEAN, Montchanin, Delaware, daughter of William Kemble du Pont (deceased).

82. Junius Simpson Dean, Montchanin, Delaware, husband of foregoing.

83. WILHELMINA DU PONT ROSS, Montchanin, Delaware, daughter of William Kemble du Pont (deceased).

84. Donald Peabody Ross, Montchanin, Delaware, husband of foregoing.

(d) THE FAMILY OF HENRY BELIN DU PONT (Deceased).

85. HENRY BELIN DU PONT, Wilmington, Delaware, son of Henry Belin du Pont (deceased).

86. Margaret du Pont Smith, Snuff Mill Road, Kennett Square, Pennsylvania, grandchild of Henry Belin du Pont (deceased).

87. Henry Belin du Pont, III, a minor, Wilmington, Delaware; grandchild of Henry Belin du Pont (deceased).

88. Edward Bradford du Pont, a minor, Wilmington, Delaware, grandchild of Henry Belin du Pont (deceased).

(e) THE FAMILY OF MARGARETTA DU PONT CARPENTER

89. Margaretta du Pont Carpenter, Montchanin, Delaware, sister of Pierre, Irene and Lammot du Pont and "head" of Carpenter family.

90. LOUISA CARPENTER JENNEY, Wilmington, Delaware, daughter of Margaretta du Pont Carpenter.

91. IRENE CARPENTER KITCHELL MORGAN, Montchanin, Delaware, daughter of Margaretta du Pont Carpenter.

92. Renee Kitchell Lickle, Montchanin, Delaware or Wilmington, Delaware, grandchild of Margaretta du Pont Carpenter.

93. Margaretta Lammot Kitchell, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

[fol. 220] 94. Nancy Gardiner Kitchell, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

95. Carol Victoria Kitchell, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

96. Leslie Halsey Kitchell, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

. . . . .

97. ROBERT RULIPH MORGAN CARPENTER, JR., Montchanin, Delaware, son of Margaretta du Pont Carpenter.

98. Robert Rulph Morgan Carpenter, III, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

99. Mary Kaye Carpenter, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

100. William Kemble Carpenter, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

. . . . .

101. WILLIAM KEMBLE CARPENTER, Montchanin, Delaware, son of Margaretta du Pont Carpenter.

102. BELLE MORGAN CARPENTER, a minor, Montchanin, Delaware, grandchild of Margaretta du Pont Carpenter.

(f) THE FAMILY OF LOUISA DU PONT COPELAND (Deceased)

103. LAMMOT DU PONT COPELAND, Greenville, Delaware, son of Louisa du Pont Copeland (deceased).

104. Pamela Cunningham Copeland, Greenville, Delaware, wife of foregoing.

105. Lammot du Pont Copeland, Jr., a minor, Greenville, Delaware, grandchild of Louisa du Pont Copeland (deceased).

106. Louisa d'Andelot du Pont Copeland, a minor, Greenville, Delaware, grandchild of Louisa du Pont Copeland (deceased).

107. Gerret Van Sweringen Copeland, a minor, Greenville, Delaware, grandchild of Louisa du Pont Copeland (deceased).

[fol. 221] (g) THE FAMILY OF MARY DU PONT LAIRD  
(Deceased)

108. MARY BELIN LAIRD DOWNS, Wilmington, Delaware, daughter of Mary du Pont Laird (deceased).

. . . . .

109. WILLIAM WINDER LAIRD, JR., Wilmington, Delaware, son of Mary du Pont Laird (deceased).

110. ALEETTA LAIRD DOWNS, Wilmington, Delaware, daughter of Mary du Pont Laird (deceased).

111. WILHELMINA LAIRD CRAVEN, Wilmington, Delaware, daughter of Mary du Pont Laird (deceased).

112. ROSA LAIRD HAYWARD, Wilmington, Delaware, daughter of Mary du Pont Laird (deceased).

(h) THE FAMILY OF ISABELLA DU PONT SHARP, (Deceased)

113. Hugh Rodney Sharp, Wilmington, Delaware, husband of Isabella du Pont Sharp (deceased).

114. HUGH RODNEY SHARP, JR., Greenville, Delaware, son of Isabella du Pont Sharp (deceased).

115. BAYARD SHARP, Centerville, Delaware, son of Isabella du Pont Sharp (deceased).

[fol. 222]. 10. The foregoing class defendants and individual defendants hold approximately 100 per cent of the voting stock of the defendant Delaware, approximately 70 per cent of the voting stock of the defendant Christiana (including the stock held through the defendant Delaware), approximately 17 per cent of the voting stock of the defendant United States Rubber, and substantial amounts of the voting stock of the defendant General Motors. Each of the class and individual defendants has holdings of the voting stock of one or more of such companies, which is held in a variety of ways. In some instances, part or all of such stock is held directly in the name of the defendant. In other instances the stock is held indirectly through personal holding companies controlled by individual or class defendants, or in street or fictitious names. Much of the



stock is beneficially held through trusts which have been established for the benefit of one or more of the class defendants. The minors who are named as defendants have extensive holdings of such stock, most of which is held by them beneficially through trusts established for their benefit, with much of the stock being held for them, usually by a parent, in a street name, or in a fictitious name. The stock held by the individual and class defendants, including the minors, has been received by them and is held by them or for them through fiduciaries in furtherance of the combination and conspiracy hereinafter alleged.

11. The defendant Wilmington Trust Company, du Pont Building, Wilmington, Delaware, a Delaware corporation, is named as a defendant herein. The majority of the voting stock of the said defendant Wilmington is closely held, either directly, indirectly or beneficially, by individual and class defendants and by Christiana. The defendant Wilmington is extensively used by the individual and class [fols. 223-224] defendants as a corporate trustee to hold voting stock of the defendants Delaware, Christiana, United States Rubber, and General Motors, in trust under wills and trust agreements in which class defendants are designated as beneficiaries. It holds close to 300,000 shares of the common stock of the defendant Delaware, as trustee for the benefit of various class defendants, with much of such stock being held by Wilmington Trust for the benefit of minors who are named herein as class defendants. It likewise holds as trustee for class defendants, including minors, approximately 150,000 share of U. S. Rubber common stock, as well as many shares of Christiana common stock. The defendant Wilmington Trust holds, administers, and votes such trusted stock in furtherance of the hereinafter alleged conspiracy. Where the term class defendants is hereinafter used, it will include reference to the defendant Wilmington in its fiduciary capacity as holder of voting stock of the defendants Christiana, Delaware, United States Rubber, and General Motors for the benefit of class defendants.

[fols. 225-237] UNITED STATES DISTRICT COURT, NORTHERN  
DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

ORDER GRANTING LEAVE TO AMEND COMPLAINT—July 28, 1952

This matter having come before the Court on plaintiff's motion for leave to amend the complaint in this cause pursuant to Rules 15(a) and 21 of the Federal Rules of Civil Procedure, and the Court being advised in the premises,

IT IS ORDERED that the motion for leave to amend be and the same hereby is granted; and that the complaint be and hereby is amended in the manner set forth in the amendment attached hereto and made a part hereof.

Walter J. La Buy, United States District Judge.

Dated: July 28, 1952

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[fol. 238] IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

AMENDED ANSWER OF E. I. DU PONT DE NEMOURS AND  
COMPANY—Filed September 15, 1952

The defendant E. I. du Pont de Nemours and Company (hereinafter referred to as du Pont) by its attorneys answers the amended paragraphs of the Complaint herein as follows:

9. Du Pont admits that each of the persons listed is named as a defendant and is without knowledge or information sufficient to form a belief as to the truth of the remaining averments in this paragraph.

10. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments in this paragraph.

[fols. 239-240] 11. Du Pont admits that the Wilmington Trust Company, Du Pont Building, Wilmington, Delaware, is named as a defendant and is without knowledge or infor-

mation as to the truth of the remaining averments in this paragraph.

Hugh B. Cox, Howard Neitzert, Attorneys for E. I. du Pont de Nemours and Company.

Covington & Burling, 701 Union Trust Building, Washington 5, D. C. REpublic 5900

Sidley, Austin, Burgess & Smith, 11 South La Salle Street, Chicago 3, Illinois. STate 2-5400

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[fol. 241] IN THE UNITED STATES DISTRICT COURT, FOR THE  
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

AMENDED ANSWER OF DEFENDANTS CHRISTIANA SECURITIES  
COMPANY, DELAWARE REALTY AND INVESTMENT CORP.,  
PIERRE S. DU PONT AND IRENEE DU PONT—Filed September  
15, 1952.

Defendants Christiana Securities Company (described in the Complaint and hereinafter as "Christiana"), Delaware Realty and Investment Corporation (described in the Complaint and hereinafter as "Delaware") and Pierre S. du Pont and Irene du Pont (described in the Complaint and hereinafter as "defendant individuals", the defendant Lamot du Pont having died on July 24, 1952, prior to the service of the amended Complaint herein), sometimes hereinafter referred to collectively as "defendants", by their attorneys, answer the amended paragraphs of the Complaint as follows:

9. Defendants admit the allegations of amended paragraph 9 subject to correction, however, as to individual [fol. 242] names, addresses and status as to minority or otherwise.

10. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations of amended paragraph 10 except that defendant Delaware admits that shares of its stock are registered in the name of many of the individuals named in amended paragraph 9 and that in the aggregate the total shares so reg-



istered constitute a substantial portion of its outstanding stock; the defendant Christiana admits that shares of its voting stock are registered in the name of many of the individuals named in amended paragraph 9 and that the aggregate of shares so registered constitute a substantial portion of its total voting stock; the individual defendants, Pierre and Irenée du Pont, admit that they respectively own voting stock in Christiana, United States Rubber and General Motors and deny that any of the stock so owned has been received by them and is held by them or for them through fiduciaries in furtherance of the combination and conspiracy alleged.

11. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the [fols. 243-244] allegations contained in amended paragraph 11, except that they deny that they participated in a conspiracy as therein alleged.

John M. Harlan, Howard Neitzert, Attorneys for defendants Christiana Securities Company, Delaware Realty & Investment Corporation, Pierre S. du Pont, and Irenée du Pont

Root, Ballantine, Harlan, Bushby & Palmer, 31 Nassau Street, New York 5, N. Y. Rector 2-7000.

Sidley, Austin, Burgess & Smith, 11 South LaSalle Street, Chicago 3, Illinois. STate 2-5400.

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[fol. 245] UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

PRE-TRIAL ORDER—January 5, 1953

The following matters discussed at pre-trial conferences of all parties with the Court on June 25, 1952 and December 16, 1952 are hereby embodied in the following pre-trial order, in paragraphs numbered according to the paragraph numbering of the Agenda submitted by plaintiff at the said conferences.

The Court being fully advised in the premises and upon stipulation of the parties, by their respective counsel,

## IT IS ORDERED THAT:

3. *Pre-Trial Disclosure of Documents Which the Parties Anticipate Using at the Time of Trial*A. *Disclosure by the Government as to documents, charts and statistical tabulations before resumption of trial.*

The Government shall disclose to the defendants before the resumption of the trial herein the documents, charts and statistical tabulations which it expects to offer at the trial. The Government shall supply the defendants with a copy of each such document, chart or table, or shall identify the document with sufficient specificity to enable the defendants to locate the document from their files.

[fol. 246] B. *Disclosure by the Government as to additional documents, charts and statistical tabulations during trial.*

The Government shall give to the defendants reasonable notice, which shall not be less than five trial days, unless otherwise ordered by the Court, of documents, charts and statistical tabulations which it intends to offer in evidence, but which had not been previously disclosed. The Government shall supply all counsel with a copy of each such document, chart or table, or shall identify the document with sufficient specificity to enable the defendants to locate the document from their files.

C. *Disclosure by the Defendants.*

(a) The defendants shall provide the Government on or before January 19, 1953 with a first list of documents which they intend to offer in evidence on the trial, identified with sufficient specificity to enable the Government to locate the documents to the extent that such documents have heretofore been marked on depositions, and shall also provide the Government with copies of the other documents listed;

(b) The defendants shall give to the Government a further list of documents not previously disclosed, in-

cluding any charts or statistical tabulations they intend to offer on the trial and copies of documents, charts or tables that have not already been marked on depositions, within a reasonable time before the opening of defendants' case;

(c) During the course of the defendants' case, the defendants shall give to the Government reasonable notice, which shall not be less than five trial days, unless [fol. 247] otherwise ordered by the Court, of documents, charts or statistical tabulations which they intend to offer in evidence, but which had not been previously disclosed. The defendants shall supply the Government with a copy of each such document, chart or table which had not been marked on depositions.

## 5. *Authentication of Documents*

### A. *Documents offered by the Government*

As to all documents which are tendered in evidence by the Government and which come from the files of any of the defendants or from the files of Ethyl Corporation:

(1) All such documents shall be presumed to be authentic and genuine;

(2) As to letters, telegrams, memoranda, and other communications which indicate on their face that they were prepared to be sent to a person whose name or identify is shown on the face of the communication, it shall be presumed that the communication was received by the person indicated;

(3) If a carbon or other copy of a communication shows the initials of the dictator, or if initials are not shown, and the name of the author of the communication can reasonably be determined by reference to the internal evidence of the document or external circumstances, then the offering party may indicate the full name of such person, which may be placed on the face of the document in brackets, and it then will be presumed that the person so indicated was the writer of the document;

[fol. 248] (4) Where the face of a document discloses that copies were to go to persons other than the addressee, it shall be presumed that such copies did go to



the persons indicated and that they were received by such persons;

(5) Any of the foregoing presumptions are subject to rebuttal, with both sides having full opportunity to tender corrections;

(6) The defendants retain the right to object to the admission in evidence of any document on such substantive grounds as immateriality, irrelevancy, and incompetence;

(7) Any document offered by the Government and admitted in evidence shall be admitted subject to motions to strike, which may be made by any defendant upon any ground at any time prior to the final judgment in this cause, provided that this shall not prevent any defendant from objecting to any document on any ground when it is offered; and further provided that this shall not be deemed to waive any rule of law with respect to the admissibility of the declarations of co-conspirators.

#### *B. Documents offered by the defendants*

The Government shall not require the defendants to offer proof regarding the genuineness or authenticity of any document tendered by them in evidence, if counsel offering the document in question represents it to be authentic and genuine. The presumptions and exceptions listed above with reference to documents offered by the Government will apply with equal force and effect to those tendered by the defendants.

#### *C. Statistical tabulations and charts*

Statistical tables and charts offered by each side will be tendered and received as accurate, subject to correction and to substantive objections, such objections to be disclosed to the opposing counsel within a reasonable time after the exhibition of such tables and charts to opposing counsel.

### *6. Tender of Documents in Evidence*

The formula of offering documents shall, in the absence of special circumstances, be as follows: "Govern-

ment (or defendant, naming it) offers Trial Exhibit No. . . .

#### 7. *Stipulations as to Admissions in Pleadings*

Admissions of fact made by any one of the defendants in its answer to the complaint shall be considered an admission of that fact by all the defendants, except the minor defendants.

#### 8. *Use of Printed Copy of Depositions*

Where depositions taken on oral examination have been printed, such printed copies may be used by the parties with the same force and effect as the reporters' typewritten transcript.

#### 9. *Printed, Photostated, or Other Forms of Copies*

Printed, photostated, or other forms of copies of the original documents herein presumed under paragraphs 5A and 5B to be authentic, may be tendered in evidence and used and have the same force and effect as the original document.

#### 10. *Use of Excerpts*

A. The Government or any defendant during their case in chief shall have the privilege of offering part of a document by way of excerpt, and the offer may include a reading of the excerpt offered. If any party shall object to the offer upon the ground that all of the document, or more than the said excerpt, should be offered, the offeror, without debate, shall offer the entire document or such additional excerpt as may be specified in the objection, but shall not be required to read any more than it has already read in its original offer.

[fol. 250] B. Where any party offers an excerpt in lieu of the entire document, such excerpt shall be clearly marked or designated and, if received in evidence, may be read. If any of the other parties desires to read an additional excerpt offered as provided in paragraph 10A, it may be read by them at the time of the offering of the first excerpt or thereafter. Any excerpt not read

by any party shall not be copied by the reporter into the transcript.

C. Where the Government or any defendant offers all of a document, the offeror shall have the privilege of reading all of it, part of it, or none of it at the time it is admitted in evidence and any opposing party, subject to the approval of the Court, may read additional parts of such document at that time and may thereafter read any part or all of such document as a part of its case.

D. If any party offers a document in its entirety, but desires to read only a portion thereof, not as an excerpt, such portion so read shall be reported and transcribed in the transcript. If a party desires to read all of a document which is received in evidence, the reporter shall report and transcribe no part of such reading, unless specifically instructed so to do.

#### 11. *Witnesses*

Each party shall give to the other reasonable notice, of not less than five trial days, of the names and addresses of witnesses it intends to call, and whose names have not already been announced.

#### 12. *Motions and Objections on the Trial*

Each defendant in this cause (to the extent and in the respects that it desires to do so) shall be entitled to rely upon and take advantage of each motion and each objection made by any other defendant, and all [fols. 251-252] grounds given in support of each motion and each objection, in the same manner and to the same extent as though each such motion or objection had been made and the grounds therefor stated by all of the defendants herein.

#### 13. *Transcript of Proceedings*

The corrected printed transcript of the proceedings shall be taken as the official and authentic transcript, both for the purposes of the trial and upon appeal, if any appeal be taken. In the interval between the delivery of the typewritten transcript and the corrected



print thereof, the typewritten transcript shall be taken as the official and authentic record of the proceedings.

14. *Infants and Guardians ad Litem*

Paragraphs 5A, 5B, 5C, 7 and 9 shall not be applicable to the minor defendants or their guardians *ad litem*. The minor defendants and their guardians *ad litem* may reserve their objections to the introduction of all evidence adduced by plaintiff, whether in the form of depositions, admissions, documents, answers to interrogatories, compilations, charts, or otherwise, until shortly before plaintiff closes its case, provided, however, that the guardians *ad litem* shall seasonably make such objections going to the use of copies in lieu of originals and to the form of questions as they deem proper. The guardians *ad litem* shall be deemed to have made and shall have the advantage of any and all objections made by any defendant to the introduction of any evidence on behalf of plaintiff.

Enter:

Walter J. La Buy.

January 5, 1953.

[fol. 235] UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

(Title omitted)

PLAINTIFF'S MOTION TO AMEND THE COMPLAINT—Filed  
January 5, 1953.

Plaintiff, by its attorneys, pursuant to the provisions of Rules 15(a), 20(a) and 21 of the Federal Rules of Civil Procedure, moves (a) for leave to amend the complaint in this cause of action in the manner set forth in the amendment attached hereto and made a part hereof; and (b) that the Complaint be dismissed without prejudice as to each of the following persons made defendants herein on July 28, 1952:

Irene du Pont.

Ernest Nugent May.

Ernest Nugent May, Jr.

Irene du Pont May.  
 Thomas Henry May, a minor.  
 John Eric May, a minor.  
 Crawford Hallock Greenewalt.  
 Nancy Greenewalt Frederick.  
 David Greenewalt.  
 Crawford Hallock Greenewalt, Jr., a minor.  
 Colgate Whitehead Darden, III.  
 Pierre Samuel du Pont Darden, a minor.  
 Irene Sophie du Pont Darden, a minor.  
 Philip Goodenow Rust, Jr., a minor.  
 Francis Gurney du Pont Rust, a minor.  
 Henry Rust, a minor.  
 Richard Cutts Rust, a minor.  
 Henry Harper Silliman.  
 John Bruce Bredin.  
 Stephanie Sophie du Pont Bredin, a minor.  
 Margaretta Starrett Bredin, a minor.  
 Robert Barnett Flint, Jr., a minor.  
 Robert Barnett Flint, Jr., a minor.  
 Peter Hubbard Flint, a minor.  
 Alice Lucile Flint, a minor.  
 Henry Alexis Flint, a minor.  
 Constance Evelina Flint, a minor.  
 [fol. 254] Herbert Kimball Faulkner.  
 Elise du Pont Falkner, a minor.  
 Emily Morison Faulkner, a minor.  
 Charles Stearns Faulkner, a minor.  
 Rosemary Faulkner, a minor.  
 Henry Belin Faulkner, a minor.  
 Andrew Gray Faulkner, a minor.  
 Lamot du Pont, III, a minor.  
 William Foster du Pont, a minor.  
 Pierre Samuel du Pont, IV, a minor.  
 Jane de Doliete du Pont, a minor.  
 Michele Wainwright du Pont, a minor.  
 Edith du Pont Riegel (Jr.), a minor.  
 Richard Eveland Riegel, Jr., a minor.  
 John Ely Riegel, a minor.  
 Natalie Margaret Riegel, a minor.  
 Katharine Lewars du Pont.  
 Katharine du Pont, a minor.  
 Reynolds du Pont, Jr., a minor.

Thomas Lewars du Pont, a minor.  
 S. Hallock du Pont.  
 Virginia Simmons du Pont.  
 Eve du Pont Remer.  
 S. Hallock du Pont, Jr., a minor.  
 William Kemble du Pont, a minor.  
 Richard Simmons du Pont, a minor.  
 Paulina du Pont Dean.  
 Junius Simpson Dean.  
 Wilhelmina du Pont Ross.  
 Donald Peabody Ross.  
 Margaretta du Pont Carpenter.  
 Louisa Carpenter Jenney.  
 Irene Carpenter Kitchell Morgan.  
 Rene Kitchell Lickle.  
 Margaretta Lammot Kitchell, a minor.  
 Nancy Gardiner Kitchell, a minor.  
 Carol Victoria Kitchell, a minor.  
 Leslie Halsey Kitchell, a minor.  
 Robert Ruliph Morgan Carpenter, Jr.  
 Robert Ruliph Morgan Carpenter, III, a minor.  
 Mary Kaye Carpenter, a minor.  
 William Kemble Carpenter, a minor.  
 William Kemble Carpenter.  
 Belle Morgan Carpenter, a minor.  
 Pamela Cunningham Copeland.  
 Lammot du Pont Copeland, Jr., a minor.  
 Louisa D'Andelot du Pont Copeland, a minor.  
 Gerret Van Sweringen Copeland, a minor.  
 Mary Belin Laird Downs.  
 William Winder Laird, Jr.  
 Alletta Laird Downs.  
 Wilhelmina Laird Craven.  
 Rosa Laird Hayward.  
 Hugh Rodney Sharp.  
 Hugh Rodney Sharp, Jr.  
 Bayard Sharp.

*Grounds of Motion*

Plaintiff seeks leave to amend the Complaint and to dismiss without prejudice 83 defendants from the case because it has been concluded that the retention of these defendants is not necessary to obtain effective relief from



[fol. 255] the illegal activities alleged in the complaint, and because the evidence of participation by these defendants is not sufficiently strong to justify their retention in view of the substantial practical trial difficulties presented by the large number of defendants added to the case on July 28, 1952. If plaintiff's motion is granted the length of the trial will be materially shortened.

The effect of the proposed amendments, if allowed, will be, in substance, as follows:

*First—As to the proposed new Paragraphs 7 and 8.*

New or clarifying definitions of the terms "members of the du Pont family", "defendants" and "beneficiary defendants" will be made.

*Second—As to the proposed new Paragraph 9.*

Five of the individuals named as defendants in the amendment of July 28, 1952 will remain in the case as defendants and alleged conspirators. As the proposed new Paragraph 9 alleges, each of these five now is or has been a director of one or more of the defendant corporations and is a holder of U. S. Rubber stock.

*Third—As to the proposed new Paragraph 10.*

The proposed new Paragraph 10 continues Wilmington Trust Company as a defendant.

*Fourth—As to the proposed new Paragraph 11.*

As the proposed new Paragraph 11 of the Complaint alleges, 27 of the persons named defendants on July 28, 1952 and alleged to be conspirators are beneficiaries of trusts of which the defendant Wilmington Trust Company is trustee. Each such trust contains voting stock of U. S. Rubber. Since the Prayer of the Complaint includes a request for an order directing sale of the U. S. Rubber stock in each of these trusts, the interests of these 27 persons, 11 of whom are minors, may be directly and substantially affected by any action that this Court would take. If the proposed amendment to Paragraph 11 is allowed, [fol. 256] said persons would not be named as conspirators, but would be continued as defendants. Au-

thorization for this amendment, we believe, is provided by the second sentence of Rule 20(a) of the Federal Rules of Civil Procedure, as well as by Rules 15(a) and 21.

*Fifth—*

The Complaint would be dismissed as to the remaining 83 persons named as defendants and alleged to have been co-conspirators in the amendment of July 28, 1952.

*Sixth—Amendments to Paragraphs 30, 33, 34, 35, 36, 55, 116, 117, 118, 119, 120, 121 and 134.*

The charge of combination and conspiracy would be narrowed so as to exclude from participation therein all the former class defendants except the five continued as defendants in Paragraph 9, as it is proposed to be amended.

*Seventh—Amendments to Prayer for Relief.*

Corresponding amendments to the paragraphs of the Prayer for Relief, in order to conform them to the narrowing of the charges as described above; are proposed.

Respectfully submitted,

E. Houston Harsha, Ewart Harris, Paul V. Ford,  
Dorothy M. Hunt, Charles W. Houchins, Francis  
Hoyt, Attorneys for the United States.

Newell A. Clapp, Acting Assistant Attorney General.  
Victor H. Kramer, Trial Attorney.

January 5, 1953.

[fol. 257] UNITED STATES DISTRICT COURT, NORTHERN  
DISTRICT OF ILLINOIS, EASTERN DIVISION

[Title omitted]

AMENDMENT TO COMPLAINT

The Complaint heretofore filed on July 30, 1949, as amended on July 28, 1952, is further amended in the following respects:

Paragraph Number of Complaint

Paragraphs 7, 8, 9, 10 and 11 are stricken, and the following paragraphs are substituted therefor:

7

7. The term "members of the du Pont family," when used herein shall apply, in addition to the defendant individuals named in Paragraph 5 of this Complaint, to those persons who are members, by blood or marriage, of any of the families of the eight brothers and sisters of the defendant Pierre S. du Pont, and who hold shares of voting stock of one or more of the following defendant corporations: Christiana, Delaware, U. S. Rubber; either directly or indirectly through personal holding companies, or who have a beneficial interest in any of such shares in or through trusts established in their favor, or otherwise. The term "members of the du Pont family" shall include, unless specifically excepted, the defendants named in Paragraph 9 of this Complaint as amended.

8

8(a). The term "defendants," when used herein without qualifying words, shall include only "defendant manu-[fol. 258] facturers," defined in Paragraph 4; "defendant individuals," defined in Paragraph 5; the corporate defendants Christiana, Delaware, and Wilmington Trust Company; and the individual defendants who are also members of the du Pont family named in Paragraph 9 of this Complaint as amended.

8(b). The term "beneficiary defendants," when used herein, shall apply only to the defendants named in Paragraph 11 of this Complaint, as amended herein, who are



made parties defendant because their beneficial interest in trusts held by defendant Wilmington Trust Company may be affected by any relief granted herein against defendant Wilmington Trust Company as trustee.

## 9

9. Each of the following persons, whose address is shown opposite his name, is made a defendant herein:

<i>Name</i>	<i>Address</i>
Lammot du Pont Copeland,	Greenville, Delaware
Colgate W. Darden, Jr.,	Charlottesville, Virginia
Henry Belin du Pont,	Wilmington, Delaware
Pierre S. du Pont, III,	Rockland, Delaware
George P. Edmonds,	Wilmington, Delaware

Each of these persons now is or has been a director of one or more of the defendant corporations and has authorized, ordered or done, one or more of the acts alleged hereinafter to constitute the offenses charged. Each of these persons is a member of the du Pont family and holds directly, or indirectly as beneficiary of a trust, substantial amounts of voting stock of defendant U. S. Rubber. Such stock is held by each of these defendants in furtherance of the combination and conspiracy hereinafter alleged.

## 10

10. Wilmington Trust Company (Wilmington), du Pont Building, Wilmington, Delaware, a Delaware corporation, is named a defendant herein, individually and as trustee. A [fol. 259] large amount of the voting stock of the said defendant Wilmington is closely held, either directly, indirectly, or beneficially, by other defendants named in this Complaint. Defendant Wilmington is extensively used by other defendants as a corporate trustee to hold voting stock of the defendants Delaware, Christiana; U. S. Rubber, and General Motors, in trust under wills and trust agreements. It holds as trustee for the individuals named defendants in Paragraphs 9 and 11 approximately 160,000 shares of U. S. Rubber common stock. In addition, it holds approximately 47,000 shares of U. S. Rubber common stock in its own name. The defendant Wilmington holds, administers, and votes all

such stock in U. S. Rubber in furtherance of the combination and conspiracy hereinafter alleged.

## 11

11. Each of the following persons, whose address is shown opposite his or her name, is named a defendant herein, as a party in interest but not a conspirator. Each is a beneficiary of one or more trusts of which defendant Wilmington is trustee and the assets of which include voting stock of defendant U. S. Rubber. Said stock is held by Wilmington as said trustee and is administered and voted in furtherance of the combination and conspiracy hereinafter alleged:

Irene Sophie du Pont May, Granogue, Delaware.

Margaretta du Pont Greenewalt, Greenville, Delaware.

Constance du Pont Darden, Charlottesville, Virginia.

Eleanor du Pont Rust, Thomasville, Georgia.

Mariana du Pont Silliman, Montchanin, Delaware.

Henry Harper Silliman, Jr., a minor, Montchanin, Delaware.

Doris du Pont Silliman, a minor, Montchanin, Delaware.

Eleanor Howland Silliman, a minor, Montchanin, Delaware.

[fol. 260] Mariana du Pont Silliman, a minor, Montchanin, Delaware.

Robert Morris Silliman, a minor, Montchanin, Delaware.

Octavia Mary du Pont Bredin, Greenville, Delaware.

Lucile du Pont Flint, Greenville, Delaware.

Irene du Pont, Jr., 5 Fern Road, Charleston, W. Va.

Natalie du Pont Edmonds, Wilmington, Delaware.

George Phippen Edmonds, Jr., a minor, Wilmington, Delaware.

Andrew Wilson Edmonds, a minor, Wilmington, Delaware.

Mary du Pont Faulkner, 255 Goddard Avenue, Brookline, Mass.

Esther du Pont Weir, Rockland, Delaware.

Lammot du Pont, Jr., Wilmington, Delaware.

Edith du Pont Riegel, Montchanin, Delaware.

Alexandrine du Pont, Perkins Collier, Wilmington, Delaware.

Reynolds du Pont, Wilmington, Delaware.

David Flett du Pont, a minor, Wilmington, Delaware.

Willis Harrington du Pont, a minor, Wilmington, Delaware.

Margaret du Pont Smith, Snuff Mill Road, Kennett Square, Pennsylvania.

Henry Belin du Pont, III, a minor, Wilmington, Delaware.

Edward Bradford du Pont, a minor, Wilmington, Delaware.

### 30(a)

Subparagraph 30(a) is stricken and the following subparagraph substituted therefor:

30(a). Pierre S. du Pont, Lammot du Pont, and Irene du Pont and the corporate defendants Christiana, Delaware, and Wilmington agree to acquire, hold and perpetuate control of the directors, executives and corporate policy of each of the corporate defendants, directly and through the [fol. 261] influence or control by the defendant individuals named in Paragraph 5 of the Complaint over the members of the du Pont family.

30(a)(1). The words "class defendants and their families" are stricken and in lieu thereof the words "members of the du Pont family" inserted.

30(a)(4). The words "class defendants" are stricken and in lieu thereof, the words "members of the du Pont family" inserted.

32. The words "who were members of the du Pont family," are stricken.

33. The words "class defendants" are stricken wherever they appear and in lieu thereof the words "members of the du Pont family" are inserted. After the word "individual," the word "defendants" is inserted. The following sentence is stricken: "All except John J. Raskob were members of the du Pont family."

34. The words "class defendants" are stricken wherever they appear and in lieu thereof the words "members of the du Pont family" are inserted.

35. The words "class defendants" are stricken wherever they appear and in lieu thereof the words "members of the du Pont family" are inserted.

36. The words "and class defendants" is stricken and in lieu thereof the words "and certain members of the du Pont family" are inserted. The phrase "including the class defendants" is stricken.



55. The phrase "including certain class defendants," is stricken.

116. The words "class defendants" are stricken and in lieu thereof the words "members of the du Pont family" are inserted.

117. The words "class defendants" are stricken and in lieu thereof the words "members of the du Pont family" are inserted.

118. The words "class defendants" wherever they appear are stricken and in lieu thereof the words "members of the du Pont family" are inserted.

[fol. 262] 119. The words "class defendants" are stricken and in lieu thereof the words "members of the du Pont family" are inserted.

120. The words "class defendants" are stricken wherever they appear and in lieu thereof the words "members of the du Pont family" are inserted.

121. The words "the class defendants" are stricken and in lieu thereof the words "certain members of the du Pont family" are inserted.

134. The words "and class defendants" are stricken wherever they appear and in lieu thereof the words "defendants and members of the du Pont family" are inserted.

## 2

After the phrase "each of them," insert the clause "except the beneficiary defendants named in Paragraph 11 of the Complaint as amended."

7. The words "the class defendants" are stricken and in lieu thereof the words "Wilmington Trust Company and the members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended" are inserted.

8. The words "the class defendants" are stricken and in lieu thereof the words "Wilmington Trust Company and the members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended" are inserted.

9. The words "the individual defendants, and the class defendants" are stricken and in lieu thereof the words "and the defendant individuals named in Paragraphs 5 and 9 of this Complaint" are inserted. The words "any member of the du Pont family not included in this proceeding, as an individual defendant or class defendant" are stricken

and in lieu thereof the words "any other member of the du Pont family" are inserted.

[fols. 263-264] 10. The words "class defendants" are stricken and in lieu thereof the words "Wilmington Trust Company and the members of the du Pont family named defendants in Paragraph 9 of the Complaint as amended" are inserted. The phrase "individual defendants or class defendants" is stricken and in lieu thereof the word "defendants" is inserted.

11. The words "class defendants" and "class defendant" wherever they appear are stricken and in lieu thereof the words "Wilmington Trust Company and those members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended" are inserted.

12. The words "class defendants" are stricken and in lieu thereof the words "Wilmington Trust Company or any member of the du Pont family named as a defendant in Paragraph 9 of the Complaint as amended" are inserted.

13. The words "class defendants" are stricken and in lieu thereof the words "Wilmington Trust Company and those members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended" are inserted.

14. Paragraph 14 is stricken.

16. The words "class defendants" are stricken and in lieu thereof the words "any member of the du Pont family" are inserted.

18. The words "class defendants" are stricken and in lieu thereof the words "Wilmington Trust Company and the members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended" are inserted. The clause "and that they further be enjoined from aiding any other member of the du Pont family by loans, gifts, or otherwise, to acquire any stock or other financial interest in any of such enterprises" is stricken.

[fols. 265-266] UNITED STATES DISTRICT COURT, NORTHERN  
DISTRICT OF ILLINOIS, EASTERN DIVISION

ORDER GRANTING LEAVE TO AMEND COMPLAINT—January  
16, 1953

[Title omitted]

This matter having come before the Court on plaintiff's motion pursuant to Rules 15(a), 20(a), 21 and 41(a)(2) of the Federal Rules of Civil Procedure, for leave to amend the Complaint in this cause, and the Court having heard argument of counsel on the motion and being fully advised:

IT IS ORDERED that the motion for leave to amend be and the same hereby is granted; and plaintiff is hereby given leave to file an amended complaint in accordance with such motion, instanter.

Enter:

Walter J. La Buy, United States District Judge.

Date: Jan. 16, 1953

[fols. 267-268] UNITED STATES DISTRICT COURT, NORTHERN  
DISTRICT OF ILLINOIS, EASTERN DIVISION

SUGGESTION OF THE DEATH OF LAMMOT DU PONT—  
Filed January 14, 1953

[Title omitted]

Plaintiff suggests the death of the defendant Lammot du Pont upon the record.

E. Houston Harsha, Ewart Harris, Paul V. Ford,  
Attorneys for the United States, Room 400, United  
States Court House, Chicago 4, Illinois, HARRISON  
7-4700

January 16, 1953.



[fol. 269] UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

ORDER DISMISSING COMPLAINT, WITH PREJUDICE, AS TO CERTAIN DEFENDANTS—January 16, 1953

[Title omitted]

This matter having come before the Court on plaintiff's motion pursuant to Rules 15(a), 20(a), 21 and 41(a)(2) of the Federal Rules of Civil Procedure for leave to (1) amend the Complaint in this cause and (2) dismiss the Complaint without prejudice as to the defendants named in said motion; and the guardians *ad litem* heretofore appointed for the minor defendants herein having objected to said motion insofar as it pertains to the minor defendants included in said motion on the ground that the dismissal as to such minor defendants should be allowed, if at all, only as a dismissal "with prejudice"; and the Court having heard arguments by said guardians *ad litem* against the allowance of plaintiff's said motion and in support of the dismissal of the action as to each of said minor defendants "with prejudice" and having also heard arguments by counsel for the plaintiff; and at the conclusion of such argument and prior to amending the complaint as now requested and the plaintiff having in open court offered to consent to an order dismissing the said minor defendants "with prejudice", and the Court being fully advised in the premises;

[fols. 270-271] IT IS HEREBY ORDERED that this action and the Complaint herein, as heretofore amended, and prior to the consideration of the amendments now requested, be and the same are hereby *dismissed with prejudice* as to each of the following named minor defendants:

Thomas Henry May.

John Eric May.

Crawford Hallock Greenewalt, Jr.

Pierre Samuel du Pont Darden.

Irene Sophie du Pont Darden.

Philip Goodenow Rust, Jr.

Francis Gurney du Pont Rust.

Henry Rust.  
 Richard Cutts Rust.  
 Stephanie Sophie du Pont Bredin.  
 Margaretta Starrett Bredin.  
 Robert Barnett Flint, Jr.  
 Peter Hubbard Flint.  
 Alice Lucile Flint.  
 Henry Alexis Flint.  
 Constance Evalina Flint.  
 Elise du Pont Faulkner.  
 Emily Morison Faulkner.  
 Charles Stearns Faulkner.  
 Rosemary Faulkner.  
 Henry Belin Faulkner.  
 Andrew Gray Faulkner.  
 Lammot du Pont, III.  
 William Foster du Pont.  
 Pierre Samuel du Pont, IV.  
 Jane de Doliete du Pont.  
 Michele Wainwright du Pont.  
 Edith du Pont Riegel (Jr.).  
 Richard Eveland Riegel, Jr.  
 John Ely Riegel.  
 Natalie Margaret Riegel.  
 Katharine du Pont.  
 Reynolds du Pont, Jr.  
 Thomas Lewars du Pont.  
 S. Hallock du Pont, Jr.  
 William Kemble du Pont.  
 Richard Simmons du Pont.  
 Margaretta Lammot Kitchell.  
 Nancy Gardiner Kitchell.  
 Carol Victoria Kitchell.  
 Leslie Halsey Kitchell.  
 Robert Ruliph Morgan Carpenter, III.  
 Mary Kaye Carpenter.  
 Kemble du Pont Carpenter (Listed as William Kemble  
 Carpenter in amendment to the Complaint).  
 Belle Morgan Carpenter.  
 Lamont du Pont Copeland, Jr.

Louisa D'Andelot du Pont Copeland.  
Gerret Van Swearingen Copeland.

Enter:

Walter J. La Buy, United States District Judge.

Dated: Jan. 16, 1953,

The plaintiff herein hereby consents to the entry of the above and foregoing Order.

E. Houston Harsha, Ewart Harris, Paul V. Ford,  
Attorneys for Plaintiff.

[fols. 272-273] UNITED STATES DISTRICT COURT, NORTHERN  
DISTRICT OF ILLINOIS, EASTERN DIVISION

AMENDED COMPLAINT—Filed June 30, 1949. Amended July  
28, 1952 and January 16, 1953

[Title omitted]

[fol. 274]

#### EXPLANATORY NOTE

This copy of the complaint has been prepared to show all amendments. The text in roman type is the original complaint as filed on June 30, 1949. Text in italics (except that in paragraphs 12 and 15) has been added by amendment. Text which is lined through, whether in roman or italics, has been stricken by amendment.

Paragraph 27 was stricken by order of the Court on March 14, 1951.

Paragraphs 9, 10 and 11 were stricken and new paragraphs substituted therefor by order of the Court on July 28, 1952.

Paragraphs 9, 10 and 11, as amended, and 7, 8 and 30(a) are stricken and new paragraphs substituted therefor by this amended complaint, pursuant to order of the Court on January 16, 1953. In this amended complaint, paragraphs 30(a)(1), 30(a)(4), 32, 33, 34, 35, 36, 55, 116, 117, 118, 119, 120, 121 and 134 and paragraphs 2, 7, 8, 9, 10, 11, 12, 13, 16 and 18 of the Prayer are also amended, and paragraph 14 of the Prayer is stricken.



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[fol. 276]      UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

[Title omitted]

AMENDED COMPLAINT

Equitable Relief Sought

The United States of America, by its attorneys, acting under the direction of the Attorney General, brings this complaint against the defendants named herein, and upon information and belief alleges as follows:

I

Jurisdiction and Venue

1. This complaint is filed and these proceedings are instituted under Section 4 of the Act of Congress of July 2, 1890, c. 647, 26 Stat. 209, as amended, entitled "An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies," said act being commonly known as the Sherman Act, and under Section 15 of the [fol. 277] Act of Congress of October 15, 1914, c. 323, 38 Stat. 730, as amended, entitled "An Act to Supplement Existing Laws Against Unlawful Restraints and Monopolies and for Other Purposes," commonly known as the Clayton Act, in order to prevent and restrain violations by the defendants individually, jointly and severally, as hereinafter alleged, of Sections 1 and 2 of the Sherman Act and Section 7 of the Clayton Act.

2. The defendants E. I. du Pont de Nemours and Company, General Motors Corporation, and United States Rubber Company transact business within the Eastern Division of the Northern District of Illinois and are found therein.

## II

## Defendants

3. The following corporations and persons are named as defendants herein:

(a) E. I. du Pont de Nemours and Company (du Pont Company), a Delaware corporation with principal offices at Wilmington, Delaware. Its immediate predecessor corporation was E. I. du Pont de Nemours Powder Company.

(b) General Motors Corporation (General Motors), a Delaware corporation, with principal offices at 3044 West Grand Boulevard, Detroit, Michigan. Its immediate predecessor corporation was General Motors Company.

(c) United States Rubber Company (U. S. Rubber), a New Jersey corporation, with principal offices at 1230 Avenue of the Americas, New York, New York.

(d) Christiana Securities Company (Christiana), a Delaware corporation, with principal offices at the du Pont Building, Wilmington, Delaware. The name of the defendant was originally du Pont Securities Company.

[fol. 278] (e) Delaware Realty & Investment Corporation (Delaware), a Delaware corporation, with principal offices at the du Pont Building, Wilmington, Delaware.

(f) Pierre S. du Pont, of Wilmington, Delaware. In du Pont he has been a director from 1915 to date; was President from 1915 to 1919; a member of the Finance Committee of the Board of Directors from 1915 to date; and Chairman of the Board of Directors from 1919 to 1940. In General Motors he was a Director from 1917 to 1944; President from 1920 to 1923; a member of and Chairman of the Executive Committee of the Board of Directors from 1918 to 1921; a member of the Finance Committee from 1917 to 1921; and Chairman of the Board of Directors from 1917 to 1929.

(g) Lamont du Pont, of Wilmington, Delaware. In du Pont he has been a Director from 1915 to date; was a member of the Finance Committee of the Board of Directors from 1918 to 1945; a member of the Executive Committee from 1915 to 1940; Vice President from 1916 to 1926; President from 1926 to 1940; and Chairman of the Board of Directors from 1940 to 1948. In General



Motors he was a Director from 1918 to 1946; a member of the Executive Committee of the Board of Directors from 1921 to 1929, and Chairman of that Committee from 1921 to 1923; a member of the Finance Committee from 1917 to 1937; and Chairman of the Board of Directors from 1929 to 1937.

(h) Irene du Pont, of Wilmington, Delaware. In du Pont he has been a Director from 1915 to date; was a member of the Finance Committee of the Board of Directors from 1915 to 1946; a member of the Executive Committee from 1915 to 1919 and from 1921 to 1926; Vice President from 1915 to 1919; President from 1919

to 1926; Vice Chairman of the Board of Directors from 1926 to 1940. In General Motors he was a Director from 1918 to 1938; a member of the Executive Committee of the Board of Directors from 1930 to 1934; a member of the Finance Committee of the Board of Directors from 1918 to 1937, and of the Policy Committee from 1937 to 1946.

4. Where the term "defendant manufacturers" is used herein, it applies to the defendants du Pont Company, General Motors, and United States Rubber, and the predecessors and subsidiaries of each.

5. Where the term "defendant individuals" is used herein, it applies to defendants Pierre S. du Pont, Lamont du Pont, and, Irepée du Pont.

6. Where reference is made herein to any corporate defendant, such reference shall be deemed to include the predecessors and subsidiaries of such defendant; and for purposes of the relief prayed for, reference to any corporate defendant shall be deemed to apply to the subsidiaries, successors, assignees of such corporation and their officers, directors, agents, employees, and other representatives.

7. The term "members of the du Pont family," when used herein, applies to those persons who are lineal descendants of Pierre Samuel du Pont de Nemours, the senior member of the family, who emigrated to the United States from France, and the wives and husbands of such lineal descendants.

8. Each of the defendant individuals is a member of the du Pont family.

9. Each of the members of the class of persons hereinafter defined is named as a defendant. The individual

defendants are fairly and adequately representative of such class of persons, who are so numerous as to make it impractical to bring all of them before the Court on the charges herein alleged. The charges herein involve all of the members of the class, and common relief is sought against all. The members of the class of persons made defendants herein have the following things in common:

(a) All are members of the du Pont family and are related by blood or marriage to the defendants Pierre, Lammot, and Irene du Pont;

(b) All hold, either directly, or indirectly through personal holding companies, or have a beneficial interest in, through trusts established in their favor or otherwise, shares of voting stock of one or more of the following defendant corporations: Christiana, Delaware, and U. S. Rubber.

10. Most of the members of the class made defendants herein are members of the immediate families (wives, husbands, children, grandchildren, etc.) of the individual defendants Pierre, Lammot, or Irene du Pont, or of the persons listed below. Said individual defendants are brothers. Each of the persons listed below has the relationship to said individual defendants shown following his name:

Family Head	Relationship to Individual Defendants
William K. du Pont (deceased)	Brother
R. R. M. Carpenter (deceased)	Brother-in-law
Charles Copeland	Brother-in-law
A. Felix du Pont (deceased)	Second cousin
Harry B. du Pont	Nephew
William Winder Laird	Nephew



11. The members of the class made defendants herein number in excess of 100. They will sometimes hereinafter be referred to as the "class defendants".

July 28, 1952 9. Each of the following persons, who collectively will be referred to hereinafter as "class defendants," is named as a defendant herein. Each is a member of the du Pont family and more particularly is a member of the family of one of the eight brothers and sisters of the defendant Pierre S. du Pont. Such class defendants are hereinafter listed according to such family groups, with the family relationship to the head of the family group and the address of the defendant being stated, and the minors being identified as such:

(a) THE FAMILY OF DEFENDANT IRENEE DU PONT

- |  |                                     |
|--|-------------------------------------|
| 1. Irene du Pont<br>Granogue, Delaware               | Wife of defendant<br>Irenee du Pont |
| • • •  |                                     |
| 2. IRENE SOPHIE DU PONT<br>MAY<br>Granogue, Delaware | Daughter of<br>Irenee du Pont       |
| 3. Ernest Nugent May<br>Granogue, Delaware           | Husband of foregoing                |
| 4. Ernest Nugent May, Jr.<br>Granogue, Delaware      | Grandchild of<br>Irenee du Pont     |
| 5. Irene du Pont May<br>Granogue, Delaware           | Grandchild of<br>Irenee du Pont     |
| 6. Thomas Henry May, a minor<br>Granogue, Delaware   | Grandchild of<br>Irenee du Pont     |
| 7. John Eric May, a minor<br>Granogue, Delaware      | Grandchild of<br>Irenee du Pont     |
| • • •  |                                     |

(a) THE FAMILY OF DEFENDANT IRENEE DU PONT — continued

8. MARGARETTA DU PONT  
GREENEWALT Daughter of  
 Greenville, Delaware Irene du Pont
9. Crawford Hallock Greenewalt  
 Greenville, Delaware Husband of foregoing
10. Nancy Greenewalt Frederick Grandchild of  
 Greenville, Delaware Irene du Pont
11. David Greenewalt Grandchild of  
 Greenville, Delaware Irene du Pont
12. Crawford Hallock Greenewalt,  
 Jr., a minor Grandchild of  
 Greenville, Delaware Irene du Pont
13. CONSTANCE DU PONT  
DARDEN Daughter of  
 Charlottesville, Virginia Irene du Pont
14. Colgate Whitehead Darden, Jr.  
 Charlottesville, Virginia Husband of foregoing
15. Colgate Whitehead Darden,  
 III Grandchild of  
 Charlottesville, Virginia Irene du Pont
16. Pierre Samuel du Pont  
 Darden, a minor Grandchild of  
 Charlottesville, Virginia Irene du Pont
17. Irene Sophie du Pont Darden,  
 a minor Grandchild of  
 Charlottesville, Virginia Irene du Pont
18. ELEANOR DU PONT RUST Daughter of  
 Thomasville, Georgia Irene du Pont

— 8. —

(a) *THE FAMILY OF DEFENDANT IRENEE DU PONT — continued*

19. Philip Goodenow Rust, Jr., Grandchild of  
a minor Irene du Pont  
Thomasville, Georgia
20. Francis Gurney du Pont Rust, Grandchild of  
a minor Irene du Pont  
Thomasville, Georgia
21. Henry Rust, a minor Grandchild of  
Thomasville, Georgia Irene du Pont
22. Richard Cutts Rust, a minor Grandchild of  
Thomasville, Georgia Irene du Pont
- • •
23. MARIANA DU PONT  
SILLIMAN Daughter of  
Montchanin, Delaware Irene du Pont
24. Henry Harper Silliman  
Montchanin, Delaware. Husband of foregoing
25. Henry Harper Silliman, Jr., Grandchild of  
a minor Irene du Pont  
Montchanin, Delaware
26. Doris du Pont Silliman,  
a minor Grandchild of  
Montchanin, Delaware Irene du Pont
27. Eleanor Howland Silliman,  
a minor Grandchild of  
Montchanin, Delaware Irene du Pont
28. Mariana du Pont Silliman,  
a minor Grandchild of  
Montchanin, Delaware Irene du Pont
29. Robert Morris Silliman,  
a minor Grandchild of  
Montchanin, Delaware Irene du Pont
- • •



## (a) THE FAMILY OF DEFENDANT IRENEE DU PONT — continued

30. OCTAVIA MARY DU PONT  
BREDIN  
Greenville, Delaware  
Daughter of  
Irenee du Pont
31. John Bruce Bredin  
Wilmington, Delaware or  
Greenville, Delaware  
Husband of foregoing
32. Stephanie Sophie du Pont  
Bredin, a minor  
Wilmington, Delaware or  
Greenville, Delaware  
Grandchild of  
Irenee du Pont
33. Margaretta Starrett Bredin,  
a minor  
Wilmington, Delaware or  
Greenville, Delaware  
Grandchild of  
Irenee du Pont
34. LUCILE DU PONT FLINT  
Greenville, Delaware  
Daughter of  
Irenee du Pont
35. Robert Barnett Flint  
Greenville, Delaware  
Husband of foregoing
36. Robert Barnett Flint, Jr.,  
a minor  
Greenville, Delaware  
Grandchild of  
Irenee du Pont
37. Peter Hubbard Flint, a minor  
Greenville, Delaware  
Grandchild of  
Irenee du Pont
38. Alice Lucile Flint, a minor  
Greenville, Delaware  
Grandchild of  
Irenee du Pont
39. Henry Alexis Flint, a minor  
Greenville, Delaware  
Grandchild of  
Irenee du Pont
40. Constance Fredina Flint,  
a minor  
Greenville, Delaware  
Grandchild of  
Irenee du Pont

(a) **THE FAMILY OF DEFENDANT IRENEE DU PONT** — continued

11. **IRENEE DU PONT, JR.**

5 Fern Road

Charleston, West Virginia

Son of Irene du Pont

(b) **THE FAMILY OF DEFENDANT LAMMOT DU PONT**

12. **NATALIE DU PONT**

EDMONDS

Wilmington, Delaware

Daughter of  
Lammot du Pont

13. **George Phippen Edmonds**

Wilmington, Delaware

Husband of foregoing

14. **George Phippen Edmonds, Jr.,**

a minor

Wilmington, Delaware

Grandchild of  
Lammot du Pont

15. **Andrew Wilson Edmonds,**

a minor

Wilmington, Delaware

Grandchild of  
Lammot du Pont

16. **MARY DU PONT**

FAULKNER

255 Goddard Avenue

Brookline, Mass.

Daughter of  
Lammot du Pont

17. **Herbert Kimball Faulkner**

255 Goddard Avenue

Brookline, Mass.

Grandchild of  
Lammot du Pont

18. **Elise du Pont Faulkner,**

a minor

255 Goddard Avenue

Brookline, Mass.

Grandchild of  
Lammot du Pont

19. **Emily Morison Faulkner,**

a minor

255 Goddard Avenue

Brookline, Mass.

Grandchild of  
Lammot du Pont

(b) *THE FAMILY OF DEFENDANT LAMMOT DU PONT — continued*

50. Charles Stearns Faulkner,  
a minor  
255 Goddard Avenue  
Brookline, Mass. Grandchild of  
Lammot du Pont
51. Rosemary Faulkner, a minor  
255 Goddard Avenue  
Brookline, Mass. Grandchild of  
Lammot du Pont
52. Henry Belin Faulkner,  
a minor  
255 Goddard Avenue  
Brookline, Mass. Grandchild of  
Lammot du Pont
53. Andrew Gray Faulkner,  
a minor  
255 Goddard Avenue  
Brookline, Mass. Grandchild of  
Lammot du Pont
54. ESTHER DU PONT WEIR Daughter of  
Rockland, Delaware Lammot du Pont
55. LAMMOT DU PONT, JR. Son of Lammot  
Wilmington, Delaware du Pont
56. Lammot du Pont, III, a minor Grandchild of  
Wilmington, Delaware Lammot du Pont
57. William Foster du Pont,  
a minor Grandchild of  
Wilmington, Delaware Lammot du Pont
58. PIERRE SAMUEL DU  
PONT, III Son of Lammot  
Rockland, Delaware du Pont



(b) THE FAMILY OF DEFENDANT LAMMOT DU PONT — continued

59. Pierre Samuel du Pont, IV,  
a minor,  
Rockland, Delaware      Grandchild of  
Lammot du Pont
60. Jane de Doliete du Pont,  
a minor  
Rockland, Delaware      Grandchild of  
Lammot du Pont
61. Michele Wainwright du Pont,  
a minor  
Rockland, Delaware      Grandchild of  
Lammot du Pont
- • •
62. EDITH DU PONT RIEGEL      Daughter of  
Montchanin, Delaware      Lammot du Pont
63. Edith du Pont Riegel (Jr.),  
a minor  
Montchanin, Delaware      Grandchild of  
Lammot du Pont
64. Richard Erskland Riegel, Jr.,  
a minor  
Montchanin, Delaware      Grandchild of  
Lammot du Pont
65. John Ely Riegel, a minor  
Montchanin, Delaware      Grandchild of  
Lammot du Pont
66. Natalie Margaret Riegel,  
a minor  
Montchanin, Delaware      Grandchild of  
Lammot du Pont
- • •
67. ALEXANDRINE DU PONT  
PERKINS COLLIER      Daughter of  
Wilmington, Delaware      Lammot du Pont
- • •
68. REYNOLDS DU PONT      Son of Lammot  
Wilmington, Delaware      du Pont

(b) *THE FAMILY OF DEFENDANT LAMMOT DU PONT — continued*

69. Katherine Lewars du Pont  
Wilmington, Delaware      Wife of foregoing
70. Katharine du Pont, a minor      Grandchild of  
Wilmington, Delaware      Lammot du Pont
71. Reynolds du Pont, Jr., a minor      Grandchild of  
Wilmington, Delaware      Lammot du Pont
72. Thomas Lewars du Pont,  
a minor      Grandchild of  
Wilmington, Delaware      Lammot du Pont

73. *DAVID FLETT DU PONT,*

a minor      Son of Lammot  
Wilmington, Delaware      du Pont

74. *WILLIS HARRINGTON DU*

PONT, a minor      Son of Lammot  
Wilmington, Delaware      du Pont

(c) *THE FAMILY OF WILLIAM KEMBLE DU PONT (Deceased)*

75. S. HALLOCK DU PONT      Son of William  
Wilmington, Delaware      Kemble du Pont  
(Deceased)
76. Virginia Simmons du Pont      Wife of foregoing  
Wilmington, Delaware
77. Eve du Pont Remer      Grandchild of William  
Whitemarsh, Pennsylvania      Kemble du Pont  
(Deceased)
78. S. Hallock du Pont, Jr.,      Grandchild of William  
a minor      Kemble du Pont  
Wilmington, Delaware      (Deceased)

(c) *THE FAMILY OF WILLIAM KEMBLE DU PONT* (Deceased) — cont'd.

- |   |   |
|---|---|
| 79. William Kemble du Pont,<br>a minor<br>Wilmington, Delaware  | Grandchild of William<br>Kemble du Pont<br>(Deceased) |
| 80. Richard Simmons du Pont,<br>a minor<br>Wilmington, Delaware | Grandchild of William<br>Kemble du Pont<br>(Deceased) |
| 81. PAULINA DU PONT DEAN<br>Montchanin, Delaware                | Daughter of William<br>Kemble du Pont<br>(Deceased)   |
| 82. Junius Simpson Dean<br>Montchanin, Delaware                 | Husband of foregoing                                  |
| 83. WILHELMINA DU PONT<br>ROSS<br>Montchanin, Delaware          | Daughter of William<br>Kemble du Pont<br>(Deceased)   |
| 84. Donald Peabody Ross<br>Montchanin, Delaware                 | Husband of foregoing                                  |

(d) *THE FAMILY OF HENRY BELIN DU PONT* (Deceased)

- |   |  |
|---|--|
| 85. HENRY BELIN DU PONT<br>Wilmington, Delaware                               | Son of Henry Belin<br>du Pont (Deceased)           |
| 86. Margaret du Pont Smith<br>Snuff Mill Road<br>Kennett Square, Pennsylvania | Grandchild of Henry<br>Belin du Pont<br>(Deceased) |
| 87. Henry Belin du Pont, III<br>a minor<br>Wilmington, Delaware               | Grandchild of Henry<br>Belin du Pont<br>(Deceased) |
| 88. Edward Bradford du Pont,<br>a minor<br>Wilmington, Delaware               | Grandchild of Henry<br>Belin du Pont<br>(Deceased) |



(c) **THE FAMILY OF MARGARETTA DU PONT  
CARPENTER**

89. *Margaretta du Pont Carpenter* Sister of Pierre,  
Montchanin, Delaware Irene and Lammot  
du Pont and "head"  
of Carpenter family

90. **LOUISA CARPENTER** Daughter of  
**JENNEY** Margaretta du Pont  
Wilmington, Delaware Carpenter

91. **IRENE CARPENTER KIT** Daughter of  
**CHELL MORGAN** Margaretta du Pont  
Montchanin, Delaware Carpenter

92. *Renee Kitchell Lickle* Grandchild of  
Montchanin, Delaware or Margaretta du Pont  
Wilmington, Delaware Carpenter

93. *Margaretta Lammot Kitchell,* Grandchild of  
a minor Margaretta du Pont  
Montchanin, Delaware Carpenter

94. *Nancy Gardiner Kitchell,* Grandchild of  
a minor Margaretta du Pont  
Montchanin, Delaware Carpenter

95. *Carol Victoria Kitchell,* Grandchild of  
a minor Margaretta du Pont  
Montchanin, Delaware Carpenter

96. *Leslie Halsey Kitchell,* Grandchild of  
a minor Margaretta du Pont  
Montchanin, Delaware Carpenter

97. **ROBERT RULIPH MOR**  
**GAN CARPENTER, JR.** Son of Margaretta  
Montchanin, Delaware du Pont Carpenter

(e) **THE FAMILY OF MARGARETTA DU PONT  
CARPENTER — continued**

- |  |  |
|--|--|
| 98. Robert Ruliph Morgan Carpenter, III, a minor<br>Montchanin, Delaware | Grandchild of<br>Margaretta du Pont<br>Carpenter |
| 99. Mary Kaye Carpenter,<br>a minor<br>Montchanin, Delaware              | Grandchild of<br>Margaretta du Pont<br>Carpenter |
| 100. William Kemble Carpenter,<br>a minor<br>Montchanin, Delaware        | Grandchild of<br>Margaretta du Pont<br>Carpenter |
| . . . . .  |  |
| 101. <b>WILLIAM KEMBLE<br/>CARPENTER</b><br>Montchanin, Delaware         | Son of Margaretta<br>du Pont Carpenter           |
| 102. Belle Morgan Carpenter,<br>a minor<br>Montchanin, Delaware          | Grandchild of<br>Margaretta du Pont<br>Carpenter |

(f) **THE FAMILY OF LOUISA DU PONT COPE-  
LAND (Deceased)**

- |  |  |
|--|--|
| 103. <b>LAMMOT DU PONT COPE-<br/>LAND</b><br>Greenville, Delaware          | Son of Louisa du<br>Pont Copeland<br>(Deceased)        |
| 104. Pamela Cunningham Copeland<br>Greenville, Delaware                    | Wife of foregoing                                      |
| 105. Lammot du Pont Copeland, Jr.<br>a minor<br>Greenville, Delaware       | Grandchild of Louisa<br>du Pont Copeland<br>(Deceased) |
| 106. Louisa d'Andelot du Pont<br>Copeland, a minor<br>Greenville, Delaware | Grandchild of Louisa<br>du Pont Copeland<br>(Deceased) |
| 107. Gerret Van Sweringen Cope-<br>land, a minor<br>Greenville, Delaware   | Grandchild of Louisa<br>du Pont Copeland<br>(Deceased) |

(g) THE FAMILY OF MARY DU PONT LAIRD  
(Deceased)

108. MARY BELIN LAIRD  
DOWNS  
Wilmington, Delaware

Daughter of Mary  
du Pont Laird  
(Deceased)

109. WILLIAM WINDER LAIRD,  
JR.  
Wilmington, Delaware

Son of Mary du Pont  
Laird (Deceased)

110. ALLETTA LAIRD DOWNS  
Wilmington, Delaware

Daughter of Mary  
du Pont Laird  
(Deceased)

111. WILHELMINA LAIRD  
CRAVEN  
Wilmington, Delaware

Daughter of Mary  
du Pont Laird  
(Deceased)

112. ROSA LAIRD HAYWARD  
Wilmington, Delaware

Daughter of Mary  
du Pont Laird  
(Deceased)

(h) THE FAMILY OF ISABELLA DU PONT  
SHARP (Deceased)

113. Hugh Rodney Sharp  
Wilmington, Delaware

Husband of Isabella  
du Pont Sharp  
(Deceased)

114. HUGH RODNEY SHARP  
JR.  
Greenville, Delaware

Son of Isabella du  
Pont Sharp  
(Deceased)

115. BAYARD SHARP  
Centerville, Delaware

Son of Isabella du  
Pont Sharp  
(Deceased)



July 28, 1952 10. The foregoing class defendants and individual defendants hold approximately 100 per cent of the voting stock of the defendant Delaware, approximately 70 per cent of the voting stock of the defendant Christiana (including the stock held through the defendant Delaware), approximately 17 per cent of the voting stock of defendant United States Rubber, and substantial amounts of the voting stock of the defendant General Motors. Each of the class and individual defendants has holdings of the voting stock of one or more of such companies, which is held in a variety of ways. In some instances, part or all of such stock is held directly in the name of the defendant. In other instances the stock is held indirectly through personal holding companies controlled by individual or class defendants, or in street or fictitious names. Much of the stock is beneficially held through trusts which have been established for the benefit of one or more of the class defendants. The minors who are named as defendants have extensive holdings of such stock, most of which is held by them beneficially through trusts established for their benefit, with much of the stock being held for them, usually by a parent, in a street name, or in a fictitious name. The stock held by the individual and class defendants, including the minors, has been received by them and is held by them or for them through fiduciaries in furtherance of the combination and conspiracy hereinafter alleged.

July 28, 1952 11. The defendant Wilmington Trust Company, du Pont Building, Wilmington, Delaware, a Delaware corporation, is named as a defendant herein. The majority of the voting stock of the said defendant Wilmington is closely held, either directly, indirectly or beneficially, by individual and class defendants

and by Christiana. The defendant Wilmington is extensively used by the individual and class defendants as a corporate trustee to hold voting stock of the defendants Delaware, Christiana, United States Rubber, and General Motors, in trust under wills and trust agreements in which class defendants are designated as beneficiaries. It holds close to 300,000 shares of the common stock of the defendant Delaware, as trustee for the benefit of various class defendants, with much of such stock being held by Wilmington Trust for the benefit of minors who are named herein as class defendants. It likewise holds as trustee for class defendants, including minors, approximately 150,000 shares of U. S. Rubber common stock, as well as many shares of Christiana common stock. The defendant Wilmington Trust holds, administers, and votes such trustee stock in furtherance of the hereinafter alleged conspiracy. Where the term class defendants is hereinafter used, it will include reference to the defendant Wilmington in its fiduciary capacity as holder of voting stock of the defendants Christiana, Delaware, United States Rubber, and General Motors for the benefit of class defendants.

7. The term "members of the du Pont family", when used herein, shall apply, in addition to the defendant individuals named in Paragraph 5 of this Complaint, to those persons who are members, by blood or marriage, of any of the families of the eight brothers and sisters of the defendant Pierre S. du Pont, and who hold shares of voting stock of one or more of the following defendant corporations: Christiana, Delaware, U. S. Rubber; either directly or indirectly through personal holding companies or who have a beneficial interest in any of such shares in or through trusts established in their favor, or otherwise. The term "members of the du Pont family" shall

[fol. 295] include, unless specifically excepted, the defendants named in Paragraph 9 of this Complaint as amended.

8 (a). The term "defendants", when used herein without qualifying words, shall include only "defendant manufacturers", defined in Paragraph 4; "defendant individuals", defined in Paragraph 5; the corporate defendants, Christiana, Delaware and Wilmington Trust Company; and, the individual defendants who are also members of the du Pont family named in Paragraph 9 of this Complaint as amended.

8 (b). The term "beneficiary defendants", when used herein, shall apply only to the defendants named in Paragraph 11 of this Complaint, as amended, who are made parties defendant because their beneficial interest in trusts held by defendant Wilmington Trust Company may be affected by any relief granted herein against defendant Wilmington Trust Company as trustee under the trusts mentioned in Appendix A.

9. Each of the following persons, whose address is shown opposite his name, is made a defendant herein:

Name	Address
Lammot du Pont Copeland	Greenville, Delaware
Colgate W. Darden, Jr.	Charlottesville, Virginia
Henry Belin du Pont	Wilmington, Delaware
Pierre S. du Pont, III	Rockland, Delaware
George P. Edmonds	Wilmington, Delaware

Each of these persons now is or has been a director of one or more of the defendant corporations and has authorized, ordered or done one or more of the acts alleged hereinafter to constitute the offenses charged. Each of these persons is a member of the du Pont family and holds [fol. 296] substantial amounts of voting stock of defendant U. S. Rubber. Such stock is held by each of these defendants in furtherance of the combination and conspiracy hereinafter alleged.

10. Wilmington Trust Company (Wilmington), du Pont Building, Wilmington, Delaware, a Delaware corporation, is named a defendant herein, individually and as trustee under the trusts mentioned in Appendix A. A large amount of the voting stock of the said defendant Wilmington is



closely held, either directly, indirectly or beneficially, by other defendants named in this Complaint. Defendant Wilmington is extensively used by other defendants as a corporate trustee to hold voting stock of the defendants Delaware, Christiana, U. S. Rubber, and General Motors, in trust under wills and trust agreements. It holds as trustee for the individuals named defendants in Paragraphs 9 and 11 approximately 160,000 shares of U. S. Rubber common stock. In addition, it holds approximately 47,000 shares of U. S. Rubber common stock in its own name. The defendant Wilmington holds, administers, and votes all such stock in U. S. Rubber in furtherance of the combination and conspiracy hereinafter alleged.

11. Each of the following persons, whose address is shown opposite his or her name, is named a defendant herein, as a party in interest but not a conspirator. Each is a beneficiary of one or more trusts of which defendant Wilmington is trustee and the assets of which include voting stock of defendant U. S. Rubber. Said stock is held by Wilmington as said trustee and is administered and voted in furtherance of the combination and conspiracy hereinafter alleged:

[fol. 297] Name	Address
<i>Irène Sophie du Pont May</i>	Granogue, Delaware
<i>Margaretta du Pont Greengwalt</i>	Greenville, Delaware
<i>Constance du Pont Darden</i>	Charlottesville, Virginia
<i>Eleanor du Pont Rust</i>	Thomasville, Georgia
<i>Mariana du Pont Silliman</i>	Montchanin, Delaware
<i>Henry Harper Silliman, Jr., a minor</i>	Montchanin, Delaware
<i>Doris du Pont Silliman, a minor</i>	Montchanin, Delaware
<i>Eleanor Howland Silliman, a minor</i>	Montchanin, Delaware
<i>Mariana du Pont Silliman; a minor</i>	Montchanin, Delaware
<i>Robert Morris Silliman, a minor</i>	Montchanin, Delaware
<i>Octavia Mary du Pont Bredin</i>	Greenville, Delaware
<i>Lucile du Pont Flint</i>	Greenville, Delaware

<i>Name</i>	<i>Address</i>
<i>Natalie du Pont Edmonds</i>	<i>Wilmington, Delaware</i>
<i>George Phippen Edmonds, Jr.,</i> <i>a minor</i>	<i>Wilmington, Delaware</i>
<i>Andrew Wilson Edmonds,</i> <i>a minor</i>	<i>Wilmington, Delaware</i>
<i>Mary du Pont Faulkner</i>	<i>255 Goddard Avenue,</i> <i>Brookline, Mass.</i>
<i>Esther du Pont Weir</i>	<i>Rockland, Delaware</i>
<i>Lammot du Pont, Jr.</i>	<i>Wilmington, Delaware</i>
<i>Edith du Pont Riegel</i>	<i>Montchanin, Delaware</i>
<i>Alexandrine du Pont</i> <i>Perkins Collier</i>	<i>Wilmington, Delaware</i>
<i>Reynolds du Pont</i>	<i>Wilmington, Delaware</i>
<i>David Flett du Pont,</i> <i>a minor</i>	<i>Wilmington, Delaware</i>
[fol. 298] <i>Willis Harrington</i> <i>du Pont, a minor</i>	<i>Wilmington, Delaware</i>
<i>Margaret du Pont Smith</i>	<i>Snuff Mill Road</i> <i>Kennett Square,</i> <i>Pennsylvania</i>
<i>Henry Belin du Pont, III,</i> <i>a minor</i>	<i>Wilmington, Delaware</i>
<i>Edward Bradford du Pont,</i> <i>a minor</i>	<i>Wilmington, Delaware</i>

## III

## Nature of Trade and Commerce Involved

12. The du Pont Company is the largest producer in the United States of explosives, power and chemicals. Its principal manufacturing operations are conducted through ten departments. The names of these departments and the principal products which each produces are as follows: *Ammonia Department*: ammonia, urea, urea fertilizer compounds, methanol, higher alcohols, glycol, organic acids, hydrogenate products, anti-freezes, and food chemicals; *Electric Chemicals Department*: Electro and industrial chemicals including solvents, formaldehyde, cyanide, sodium, peroxide, ceramic colors, refrigerants, Vinyl products, and fumigants; *Explosives Department*: commercial explosives, blasting accessories, nitroglycerin, military and sporting powders, and commercial nitrocellulose; *Fabrics and Fin-*

*ishes Department*: pyroxylin and other coated fabrics and adhesives, various finishes for industrial, transportation, marine, and household purposes, including lacquers, enamels, paints, varnishes, plastics, waxes and polishes, plasticizers, and pyroxylin solutions; *Grasselli Chemicals Department*: inorganic and organic acids and heavy chemicals, zinc and zinc products, fungicides, insecticides, and wood preservatives; *Organic Chemicals Department*: dyestuffs, [fol. 299] tetraethyl lead, neoprene, ethyl alcohol, camphor, and other organic chemicals; *Photo Products Department*: motion picture, X-ray, portrait, lithographic and micro films, fluorescent screens, photographic printing papers and processing chemicals; *Pigments Department*: titanium dioxide, extended titanium pigments, lithopone, dry colors, and copperas; *Plastics Department*: various types of plastics, molding powders, and fabricated articles; *Rayon Department*: rayon yarn of various types and for various uses, cellophane and nylon yarn.

13. The du Pont Company also has a large number of either wholly or partially-owned subsidiaries in this and other nations. It has a 50 per cent interest in The Old Hickory Chemical Co. which produces carbon bisulphide. It holds 51 per cent, and General Motors 49 per cent, of the voting stock of Kinetic Chemicals, Inc., a manufacturer of refrigerants. Du Pont Company owns 66.7 per cent of the voting stock of International Freighting Corporation, Inc., which operates a steamship and general chartering business between the Atlantic Coast, Gulf Coast, and South American ports. The balance of the voting stock is held by General Motors.

14. General Motors is the largest manufacturing company in the United States. Its principal business consists of the manufacture of passenger cars and trucks, including various parts and accessories. It produces the Chevrolet, Buick, Oldsmobile, Pontiac and Cadillac passenger cars and the Chevrolet and GMC trucks. It is the largest producer of passenger cars and trucks in the United States. In 1947, it sold 1,931,000 passenger cars and trucks to dealers in the United States and Canada and for shipment overseas, which was .38 per cent of the industry [fol. 300] total produced in United States. In the 1937-41 period, its average annual sales of passenger cars and



trucks were 1,832,466 units or 43 per cent of the industry total produced in the United States. It is the largest producer of automobile parts and accessories. It manufactures parts and accessories for use in its own cars as well as for sale and use in cars and trucks produced by other automobile and truck manufacturers.

15. General Motors is also the largest manufacturer of railroad Diesel locomotives in the United States. It produces Diesel engines for use in these locomotives as well as for other purposes. It manufactures numerous other products, including ball bearings, roller bearings, and a wide range of household appliances, such as electric refrigerators and heating equipment. Many of the General Motors production operations are conducted through operating divisions which include the following:

*Car, Truck and Body Divisions:* Buick Motor, Cadillac Motor Car, Chevrolet Motor, GMC Truck & Coach, Pontiac Motor, Buick-Oldsmobile-Pontiac Assembly, Fisher Body, and Oldsmobile; *Accessory and Parts Divisions:* AC Spark Plug, Aeroproducts, Brown-Lipe-Chapin, Central Foundry, Delco Products, Delco Radio, Delco-Remy, Detroit Transmission, Guide Lamp, Harrison Radiator, Hyatt Bearings, Inland Mfg., Moraine Products, New Departure, Packard Electric, Rochester Products, and Saginaw Steering Gear; *Household Appliance Divisions:* Delco Appliance and Frigidaire; *Engine Divisions:* Allison, Diesel Equipment, Cleveland Diesel Engine, Electro-Motive, and Detroit Diesel Engine.

16. General Motors also has a large number of subsidiaries, mostly wholly-owned, through which other operations of the company are conducted. It holds 50 per cent of the common stock of Ethyl Corporation which, [fol. 301] prior to 1948, was the sole producer of Ethyl fluid made from tetraethyl lead and used as an anti-knock in gasoline. The other 50 percent of the stock of that company was owned by Standard Oil Company of New Jersey. General Motors also holds substantial interests in Kinetic Chemicals, Inc. and International Freighting Corporation, Inc., as hereinbefore alleged.

17. U. S. Rubber is the largest manufacturer in the United States of rubber tires and tubes, as well as of numerous other products made in whole or in part from rubber. Most of the defendant U. S. Rubber's manufac-

turing operations are conducted through the following divisions of the company: Tire Division, Mechanical Goods Division, Footwear, Naugatuck Chemical and Synthetic Rubber, and Textile. Defendant U. S. Rubber also has a large number of wholly-owned and a small number of partially-owned subsidiaries through which other operations of the company are conducted.

18. Du Pont Company, General Motors and U. S. Rubber together constitute the largest combination of manufacturing enterprises in the United States. For the year 1947, the assets, sales volume and net income after taxes of the defendant manufacturers were as follows:

[fol. 301]

	Assets	Sales (round Nos.)	Net income after taxes (round Nos.)
Du Pont.....	\$1,438,000,000	\$ 783,000,000	\$120,000,000
General Motors.....	2,473,000,000	3,815,000,000	288,000,000
U. S. Rubber.....	348,000,000	581,000,000	21,000,000
Total.....	\$4,259,000,000	\$5,189,000,000	\$429,000,000

19. The defendant manufacturers maintain production and distribution facilities throughout the United States. Products produced by the defendant manufacturers are by them sold and shipped in commerce among the several States of the United States.

[fol. 302] 20. The du Pont Company produces many products which are used in the operations of other defendant manufacturers. General Motors and U. S. Rubber constitute a substantial market for many of such products produced by du Pont Company. Du Pont sells to General Motors large quantities of lacquers, paints, varnishes, thinners, anti-freeze preparations, coated fabrics, and artificial leather. It sells to U. S. Rubber large quantities of rayon and organic chemicals. It has sold to Ethyl Corporation, a General Motors subsidiary organized in furtherance of the hereinafter alleged conspiracy, large quantities of tetra-ethyl lead, alcohol, and ethyl chloride. Du Pont Company sells large quantities of many products other than those mentioned above to General Motors and United States Rubber, while additional quantities of products produced by du Pont Company are sold to these two companies through companies and persons other than du Pont Company. Du Pont Company's sales (not including sales of

du Pont-made products sold through companies other than du Pont) for the years 1938 to 1947, inclusive, to defendant General Motors totaled approximately \$134,000,000, to defendant U. S. Rubber approximately \$72,000,000, and to Ethyl Corporation approximately \$57,000,000, a total of \$263,000,000.

21. United States Rubber sells to General Motors large quantities of tires and tubes for use as original equipment in General Motors cars and trucks, as well as quantities of other products. It is General Motors' principal supplier of tires and tubes for use as original equipment in the cars, trucks, and busses produced and sold by General Motors and its subsidiaries. U. S. Rubber's direct sales of tires and tubes to General Motors for original equipment totaled, for the period 1934 to 1947, inclusive, approximately \$500,000,000.

[fol. 303] 22. General Motors sells a large number of passenger cars and trucks either directly or through dealers to each of the other defendant manufacturers.

23. The products sold by each defendant manufacturer to the other defendant manufacturers are shipped in interstate trade and commerce from the factories or warehouses of the selling defendant to the factories or warehouses of the purchasing defendants located in other States.

24. There are numerous manufacturers, other than the defendant manufacturers, located in various parts of the United States, which manufacture and sell products of substantially the same type, kind, and quality as the products manufactured and sold by the defendant manufacturers, and but for the combination and conspiracy alleged herein after these other manufacturers would be able to offer their products competitively to the manufacturing defendants having need for them. In addition, the potential market in which these other manufacturing companies may compete generally has been restricted substantially by the nature and magnitude of the growth of the defendant manufacturers, and the ability of said other manufacturing companies to compete effectively, has been substantially impaired by the illegal means hereinafter alleged.



## IV

## Origin and Development of du Pont Company to 1915

25. The du Pont Company was founded in 1802 by Eleuthere Irénée du Pont, who, with his father and members of their families, had immigrated to the United States from France, and set up a company to engage in the manufacture of black powder. The company's first plant was located on the Brandywine River in Delaware, where the headquarters of the company has remained. [fol. 304] Prior to 1899, the company operated as a partnership, with members of the du Pont family and their close associates holding the partnership shares. In 1899, the company became a corporation, with control remaining in the hands of members of the du Pont family. Until the latter part of the 19th century, the company's principal business consisted of the production of black powder and it was the leading company in the United States in that field. It then expanded into the manufacture of smokeless powder and high explosives, and in these fields also shortly became the principal producer in the United States.

26. In 1902, a major change occurred in the administration of the company. The then president of the company, Eugene du Pont, died, and the remaining senior members of the du Pont family wished to dispose of their holdings in the company. Three of the younger members of the family, Alfred I. du Pont, Pierre S. du Pont, and T. Coleman du Pont, purchased the company, and formed a new company, the E. I. du Pont de Nemours Powder Company (a New Jersey corporation), which took over the assets of the acquired company. Approximately 89,000 shares of the 119,970 shares of common stock issued by the new company, were acquired by T. Coleman du Pont, Alfred I. du Pont, and Pierre S. du Pont, with T. Coleman du Pont acquiring the principal block. This stock gave these three members of the du Pont family control of the company. The new company acquired not only the powder and explosives business of the old company, but also the shares of stock which its predecessor, as a holding company, held in numerous other powder and explosive companies. The new company immediately embarked, both directly and through subsidiary and holding companies,

on a program of acquiring control of additional powder and explosives companies.

[fol. 305] 27. In 1907, a suit in equity was filed by the United States against the du Pont Company (the powder company of 1902) charging it and other companies with combining and conspiring to restrain and monopolize interstate trade and commerce in the field of powder and explosives. In 1911, the Court held the combination to be illegal and in 1912 a final judgment was entered providing for the splitting of the business of the du Pont Company among three companies: du Pont Company, Atlas Powder Company, and Hercules Powder Company.

28. In 1910 (prior to the dissolution referred to above), the total annual sales of the du Pont Company amounted to approximately \$34,000,000. Its only holding at that time outside the powder and explosives field, was a part interest in a company which made artificial leather (Fabrikoid Company). Du Pont subsequently acquired full stock interest in that company, dissolved it, and merged its operations into those of the du Pont Company as part of what subsequently became known as the Fabrics and Finishes Department. In 1915 du Pont acquired the Arlington Company, makers of celluloid, a product then used in substantial quantities in the making of automobile side curtains.

## V

### Offenses Charged

29. Beginning in or about 1915 and continuing thereafter up to and including the date of the filing of this complaint, the defendants have been and are now engaged in a continuing combination and conspiracy to restrain unreasonably the aforesaid interstate trade and commerce in the development, production, manufacture, distribution and sale of the products which are or may be produced by each of the defendant manufacturers and have conspired and [fol. 306] combined to monopolize a substantial part of such interstate trade and commerce, in violation of Sections 1 and 2 of the Sherman Act, and defendant du Pont has acquired a controlling interest in the stock or other share capital of defendant General Motors, while both of said corporations were engaged in interstate commerce, the

effect of which acquisition has been to substantially lessen competition between the two companies and to tend to create a monopoly in particular lines of commerce in violation of Section 7 of the Clayton Act. Defendants threaten to continue such offenses and will continue them unless the relief hereinafter prayed for in this Complaint is granted.

30. The aforesaid combination and conspiracy to restrain interstate trade and commerce and to monopolize a substantial part thereof, has consisted of a continuing agreement and concert of action among the defendants, the substantial terms of which have been that the defendants:

(a) *Pierre S. du Pont, Lamont du Pont, and Irene du Pont and the corporate defendants Christiana, Delaware, and Wilmington* agree to acquire, hold and perpetuate control ~~by the defendant individuals and class defendants~~ of the directors, executives and corporate policy of each of the corporate defendants, *directly and through the influence or control by the defendant individuals named in Paragraph 5 of the Complaint over the members of the du Pont family.*

(1) By establishing Christiana and Delaware as personal holding companies, a majority of the outstanding voting stock of which would be held by the defendant individuals and ~~class defendants and their families~~ *members of the du Pont family* in perpetuity and voted by them;

[fol. 307] (2) By utilizing Christiana and Delaware to acquire sufficient of the common stock of du Pont Company to control it; and to hold such stock in perpetuity, and to vote it;

(3) By causing du Pont Company to acquire sufficient of the common stock of General Motors to control it, to hold such stock in perpetuity, and to vote it;

(4) By causing the defendant individuals and certain of the ~~class defendants~~ *members of the du Pont family* to acquire sufficient of the common stock of United States Rubber to control it, to hold such stock in perpetuity for themselves and their families, and to vote it;

(b) Agree to utilize control of the defendant manufacturers to enhance the size, power, and market control of each of them at the expense of its competitors:



(1) By causing each defendant manufacturer which uses products produced by one or more of the other defendant manufacturers to purchase substantially all of its requirements of such products from such other defendant manufacturers, and to exclude competitors of such other defendant manufacturers from the opportunity of competing freely for such business;

(2) By causing du Pont Company to expand its production facilities, through acquisitions and otherwise, so as to enable it to produce the types and quantities of products in the chemical and related fields which are used in substantial quantities by the other defendant manufacturers;

(3) By causing General Motors and United States Rubber to expand in their respective existing fields, and into new fields, through acquisitions and otherwise, so as to enlarge the closed and noncompetitive market available to [fol. 308] du Pont Company for products sold by it to General Motors and United States Rubber, and to increase the profits available to du Pont Company from its ownership of General Motors stock;

(4) By subsidizing the expansion of du Pont Company by using for such purpose the profits derived by it from the sale of its products on a closed market basis to General Motors and United States Rubber, as well as the profits derived by du Pont Company from its ownership of General Motors stock;

(5) By subsidizing the expansion of General Motors by causing du Pont Company and United States Rubber to grant General Motors systematic secret rebates and preferential prices on certain of the products sold to General Motors on a closed market basis by du Pont Company and United States Rubber, and selling such products at higher prices to customers of du Pont and United States Rubber other than General Motors;

(6) By subsidizing the expansion of United States Rubber by using for such purpose the profits derived by it from the sale of its products on a closed market basis to General Motors and du Pont Company;

(7) By inducing suppliers of each defendant manufacturer to purchase products on a basis of reciprocity from one or more of the other defendant manufacturers, and

to refrain from purchasing such products from competitors of such other defendant manufacturers;

(8) By causing each defendant manufacturer to make patents, technical data, and trade information obtained by any one defendant manufacturer available to the other defendant manufacturers on an exclusive or preferential basis;

[fol. 309] (c) Agree to utilize control of the defendant manufacturers to eliminate competition among themselves:

(1) By causing General Motors to refrain from entering into chemical manufacturing fields, including the manufacture of paints, varnishes, and related products, and to grant du Pont Company exclusive production rights in chemical discoveries made by General Motors;

(2) By causing General Motors to refrain from manufacturing tires and tubes;

(3) By causing United States Rubber to refrain from expanding its operations into chemical and related fields in which du Pont Company operates, or into fields in which General Motors operates.

31. During the period of time covered by this complaint and for the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants by agreement and concerted action have done the things which, as hereinbefore alleged, they conspired to do, and more particularly, have done, among others, the following acts and things.

A. The organization of Christiana and Delaware to perpetuate du Pont family control over du Pont Company

32. In 1915, the defendants Pierre S., Irene and Lamot du Pont, together with A. Felix du Pont and R. R. M. Carpenter, who were members of the du Pont family, and John J. Raskob, Treasurer of the du Pont Company, formed a syndicate to acquire the large block of stock in du Pont Company (Powder Company) then held by its largest stockholder, T. Coleman du Pont. The stock was acquired and the members of the syndicate organized the du Pont Securities Company (predecessor of defendant [fol. 310] Christiana and hereinafter referred to as de-

fendant Christiana) as a personal holding company to which the T. Coleman du Pont holdings were transferred, along with certain shares of du Pont Company common stock owned by members of the syndicate. Christiana then held a controlling portion of the du Pont Company common stock.

33. At the outset, all of Christiana's outstanding common stock (75,000 shares) was held by its incorporators in the following amounts: defendant Pierre S. du Pont, 37,500 shares; defendant Irene du Pont, 12,000 shares; defendant Lamot du Pont, 12,000 shares; A. Felix du Pont, 6,000 shares; R. R. M. Carpenter, 4,500 shares; and John J. Raskob, 3,000 shares. ~~All except John J. Raskob were members of the du Pont family.~~ These stockholders then allocated certain of their shares of Christiana stock to officers of the du Pont Company. When this redistribution had been completed, the original incorporators held approximately 68,250 shares of the 75,000 outstanding shares of Christiana stock. Thereafter most of the common stock which the defendant individuals and ~~class defendants~~ *members of the du Pont family* held in du Pont Company was turned over to Christiana in exchange for its stock to prevent dispersal of such du Pont Company stock, and to insure the perpetuation by such individual ~~and class~~ *defendants and members of the du Pont family* of their control over du Pont Company.

34. It was understood and agreed among the individual defendants and ~~class defendants~~ *members of the du Pont family* who held Christiana stock that they would continue to hold it, would keep it within their families and would not dispose of it to outsiders, so that, either directly or through their families, such defendants would maintain control of a majority of the stock of Christiana and, [fol. 311] through such stockholdings, maintain control of the du Pont Company. This understanding and agreement has been adhered to, and throughout the period covered by this Complaint, the individual defendants and the ~~class defendants~~ *members of the du Pont family* have, pursuant to said understanding and agreement, held control of Christiana, and, through it, of du Pont Company. The du Pont Company common stock held by Christiana has been voted as a block at the stockholders' meetings of the du



Pont Company. The directors of Christiana have customarily been directors and officers of the du Pont Company.

35. The largest single block of stock in Christiana (approximately 49,000 shares, or 32 per cent) is held by defendant Delaware. Delaware, in turn, is a personal holding company for a small number of the members of the du Pont family and their close associates. It was used by defendant Pierre S. du Pont, who had no children, as a means of passing control of his stockholdings to his closest relatives. To accomplish this, he turned the bulk of his holdings in Christiana, in which he was the largest stockholder, together with his common stock in du Pont Company and other companies, over to Delaware in consideration of the payment by it to him of an annuity of approximately \$900,000 a year. The common stock of Delaware was then distributed among his close relatives. The majority of Delaware's 800,000 shares of outstanding common stock is held by the defendants Irene and Lamot du Pont, a brother-in-law, and two of their nephews, and the members of their respective families. It was understood and agreed among the defendant individuals and ~~class defendants~~, *members of the du Pont family* who held Delaware stock that they would hold it for themselves and the members of their families, so that control of defendant Delaware would remain in perpetuity in the hands [fol. 312] of the defendant individuals and certain of the ~~class defendants~~, *members of the du Pont family*. This understanding and agreement has been adhered to, and, throughout the period of Delaware's existence, said defendants have, pursuant to said understanding and agreement, retained control of Delaware, and have caused the common stock of du Pont Company which is held by Delaware to be voted in stockholders' meetings of du Pont Company in the same manner as the common stock in du Pont Company held by Christiana. The defendant individuals have at all times occupied the dominant position in determining what the policies of Christiana, Delaware, and du Pont Company should be. The ~~class defendants~~ *members of the du Pont family* have at all times accommodated themselves to the decisions of the defendant individuals, and such ~~class defendants~~ *members of the du Pont family* have voted their stock in Christiana, Delaware, and du Pont Company, and have done other acts in furtherance of this combination

and conspiracy, pursuant to agreement and understanding had among themselves and the defendant individuals.

36. Christiana now holds approximately 3,049,800 shares (or 26 percent) and Delaware holds approximately 304,480 shares (or 3 percent) of the outstanding shares (11,158,340) of the common stock of du Pont Company. Defendant individuals and ~~class defendants~~ *certain members of the du Pont family* who are either officers or directors of the du Pont Company own a further block of approximately 5.3 percent of the stock of that company, while other members of the du Pont family, *including the class defendants*, who are not officers or directors of the du Pont Company, own directly a further 2.2 percent of the stock in du Pont. The combined holdings of Christiana and Delaware in du Pont Company, together with [fol. 313] the direct holdings of members of the du Pont family in that company, total at the present time approximately 36 percent of the outstanding common stock of du Pont Company.

37. The remaining approximately 64 percent of the capital stock of the du Pont Company is diffused among approximately 73,000 stockholders whose average holdings amount to slightly over 100 shares apiece. The concentrated holdings of Christiana and Delaware alone, as contrasted to the wide distribution of the remaining shares of the stock among 73,000 stockholders scattered throughout the world, are sufficient to, and do, enable these personal holding companies to control the defendant du Pont Company and its policies.

#### B. Acquisition and exercise of control by du Pont Company over General Motors

38. During World War I, du Pont Company plant facilities, sales and profits in the powder and explosives fields expanded enormously as a result of the wartime demand for these products on the part, first of Great Britain, France, and the other allied powers, and later of the United States. Its net profits on this war business during the period 1915 to 1918, inclusive, totalled approximately \$232,000,000.

39. During 1917, the du Pont Company, anticipating the end of World War I and the cessation of orders for

vast quantities of powder and explosives which the company had enjoyed, determined to utilize part of its war profits to expand into fields other than gunpowder and explosives, and to acquire for itself protected markets for these new products and for products such as artificial leather and transparent celluloid, which were being produced by companies in which du Pont had already acquired an interest, and thus to counter-balance the anticipated shrinkage in the powder and explosives business which would inevitably follow the close of hostilities.

### 1. Acquisition of stock

40. The defendant Pierre S. du Pont, then president of du Pont Company, and others associated with him in the company, had been investing in the common stock of General Motors Company and Chevrolet Company (which then held a majority of the stock of General Motors), and had become acquainted with the potentialities of the motor car industry and with the opportunities it held as a protected market for products which du Pont Company produced or might produce through an expansion of its enterprises.

41. On December 21, 1917, the Executive and Finance Committees of the du Pont Company, which included defendants Pierre S. du Pont, Lammot du Pont, and Irene du Pont in their membership, in a joint meeting, formally approved the acquisition by du Pont Company of a substantial interest in General Motors Company and Chevrolet Company, and authorized the purchase of \$25,000,000 worth of the common stock of these companies. A new company, General Industries, Inc., all of whose stock was held by du Pont Company, was set up with an authorized capital of \$25,000,000 to accomplish the actual purchase of General Motors and Chevrolet stock. The acquisition was made on the understanding that du Pont Company and the then existing William Durant management of Chevrolet and General Motors would have joint control of those two companies, that the du Pont Company would immediately assume charge and be responsible for the financial operation of General Motors and Chevrolet, and that General [fol. 315] Motors and Chevrolet would purchase from du Pont Company all of their requirements of Fabrikoid



(artificial leather), Pyralin (transparent celluloid), paint, varnish, and related products then produced or thereafter to be produced by du Pont Company, or by companies to be acquired by du Pont Company.

42. Pursuant to the foregoing understanding, General Industries, Inc., had by March 8, 1918, purchased common stock of General Motors and Chevrolet in an amount equivalent to approximately a 23 per cent interest in the two companies.

43. Shortly thereafter the name of this stock purchasing instrumentality was changed from General Industries, Inc., to du Pont American Industries, Inc., its capitalization was substantially increased, and it continued to purchase stock in General Motors and Chevrolet. The du Pont Company also approved the acquisition by General Motors of the assets of Chevrolet, which was thereafter accomplished, with Chevrolet thereafter being operated as a division of General Motors. By October 1919, du Pont American Industries owned almost 30 per cent of the then outstanding stock of General Motors.

44. In 1920, William Durant, the organizer of General Motors, was in financial difficulty and the du Pont Company undertook to acquire his stockholdings in General Motors so as to eliminate him from participation in the control of General Motors, concentrate the control in the hands of du Pont Company, and prevent interests unsympathetic to du Pont Company from acquiring an interest in and a voice in the control of General Motors. To accomplish this, the du Pont Securities Company was organized as a subsidiary of du Pont American Industries and purchased William Durant's General Motors stock. [fol. 316] The du Pont Company's stock purchasing subsidiaries, du Pont American Industries, Inc., and du Pont Securities Company, were later dissolved and their General Motors stockholdings taken over by du Pont Company. It thereafter from time to time acquired additional blocks of General Motors stock to prevent them from falling into hands which might embarrass du Pont Company's control of General Motors.

45. Du Pont Company utilized J. P. Morgan & Company to aid in the financing of du Pont's acquisition of Durant's stock, as well as in financing the capital needs

of General Motors, and during the financial stringency of 1920 induced affiliated companies, such as Canadian Industries, Ltd. (a Canadian firm jointly controlled by du Pont Company and the Nobel interests (explosives) of Great Britain) both severally and in partnership with du Pont, to subscribe heavily for General Motors capital stock. Such acquisitions were in large part taken over by du Pont at a later date.

46. Du Pont Company, in return for the assistance given it and General Motors by J. P. Morgan & Company, designated two of the Morgan representatives for membership on the General Motors Board of Directors, such membership being held by the Morgan representatives until approximately 1942, when one of the Morgan men died.

47. Defendant du Pont Company has for many years past owned 10,000,000 shares (approximately 23 per cent) of the approximately 44,000,000 outstanding shares of General Motors common stock. The remaining shares of General Motors stock were, in 1947, held by over 436,000 stockholders located in the various States of the United States and in foreign countries. Ninety-two per cent of these stockholders owned no more than 100 shares. Sixty per cent owned no more than 25 shares. The concentrated [fol. 317] block of 10,000,000 shares held by du Pont Company as contrasted to the wide distribution of the remaining 34,000,000 shares among hundreds of thousands of small shareholders, has enabled defendants to control the selection of the directors of General Motors and to control the administration and policies of that corporation.

## 2. Control over officers and directors

48. In the du Pont Company, the Finance and the Executive Committees of the Board of Directors are the bodies which control the basic policies of the company. Likewise, in defendant General Motors, the Finance Committee (otherwise known as the Policy Committee and later as the Financial Policy Committee) and the Executive Committee are the bodies which control the basic policies of that company.

49. When the du Pont Company decision was made in 1917 to acquire a substantial stock interest in General Motors, du Pont Company, pursuant to the understanding

reached with the hitherto dominant William Durant management interests in General Motors, began taking over control of the Finance Committee of that company.

50. Starting in the latter part of 1917, and continuing into 1918, the du Pont Company placed the following representatives on the Finance Committee of the Board of Directors of General Motors:

#### Position with du Pont

Pierre S. du Pont, President, Director, and member of Finance Committee.

Lammot du Pont, Vice President, Director, and member of Executive Committee.

Irene du Pont, Vice President, Director, and member of Finance Committee.

Henry F. du Pont, Director, member of Finance Committee.

J. A. Haskell, Vice President, Director, member of Executive Committee.

J. J. Raskob, Treasurer (later Vice President), Director, member of Finance and Executive Committees.

[fol. 318] The seventh member of the General Motors Finance Committee was William Durant.

51. Since 1917 key officers and directors of the du Pont Company, including the individual defendants named herein, have been assigned by du Pont Company to serve as officers and directors of General Motors and on its principal committees. The du Pont Company has also determined what other persons should hold office as members of the Board of Directors of General Motors, and no person has been chosen for membership on such board contrary to the wishes of du Pont Company.

52. The principal official positions which the individual defendants have held with du Pont Company and General Motors are as follows:

du Pont Company		General Motors	
Pierre S. du Pont			
Director	1915-date	Director	1917-44
President	1915-19	President	1920-23
Chairman of Board	1919-40	Chairman of Board	1917-29
Finance Committee	1915-date	Finance Committee	1917-37
		Executive Committee	1921-29



## Lamot du Pont

Director.....	1915-date	Director.....	1918-46
Vice President.....	1916-26	Chairman of Board.....	1929-37
President.....	1926-40	Finance Committee.....	1917-37
Chairman of Board.....	1940-48	Executive Committee.....	1921-29
Finance Committee.....	1918-45		
Executive Committee.....	1915-40		

## Irene du Pont.

Director.....	1915-date	Director.....	1918-38
Vice President.....	1915-19	Finance Committee and	
President.....	1919-26	Successor Committee.....	1918-46
Vice Chairman of Board.....	1926-40	Executive Committee.....	1930-34

53. In 1923, General Motors and du Pont Company worked out a plan to provide special financial incentives to the executives of General Motors in a form which would make them more directly responsive to the influence and desires of du Pont Company. Under this plan, General Motors organized a corporation known as Managers Securities [fol. 319] Company and obligated itself to pay the company a minimum of \$2,000,000 annually (thereafter changed to a percentage of General Motors' net profits). Du Pont Company transferred to the new company the right to receive dividends from approximately 2,250,000 shares of the General Motors common stock owned by du Pont Company. General Motors, through its Finance Committee, then allocated Class A and B stock of Managers Securities Company to General Motors executives in amounts determined by the Finance Committee of General Motors. One of these classes of Managers Securities Company stock so allocated to the General Motors executives, carried with it the right to participate in the special payments which General Motors had obligated itself to make annually to Managers Securities Company. The other class of Managers Securities Company stock, also allocated to General Motors executives, received the balance of the income which Managers Securities had, such income consisting, in the main, of dividends from the 2,250,000 shares of General Motors common stock allocated to Managers Securities by du Pont Company. Although various changes were made thereafter in the detailed operation of the bonus system, the basic elements of the plan have continued to the date of the filing of this complaint.

54. Under the bonus plan those General Motors executives who have been permitted to participate have been

enabled, through the payment of small sums, to reap tremendous returns. The \$1,000,000 worth of Managers Securities stock to which the dividends from General Motors stock was allocated, as issued to General Motors executives starting about 1923, was worth over \$500,000,000 on the basis of the highest market price prevailing in 1929 for General Motors common, and nearly \$350,000,000 on the basis of the median price in that year.

[fol. 320] 55. Throughout the period of time that the bonus plan has been in operation, the allocation of benefits under the plan to General Motors executives and the determination of the amount of each such allocation has been made either by the Finance Committee of General Motors, or by a special Bonus and Salary Committee of the Board of Directors of General Motors. Throughout this period of time, either defendant individuals, or associates of defendant individuals who were officers or directors of du Pont Company, ~~including certain class defendants,~~ have dominated said Finance Committee or Bonus and Salary Committee and have determined who among the General Motors executives should receive bonus allocations and the amount each should receive. The executive personnel of General Motors have known throughout the existence of the bonus plan, that the recipients of cash and stock bonuses and the amount each received was determined by a committee the majority of which has at all times been composed of du Pont Company directors, officials and employees. As an inevitable, and intended, consequence of the operation of the bonus plan, General Motors executives have responded readily to the influence and desires of the du Pont Company.

### 3. Agreements relating to intercompany sales

56. Beginning in 1917, it was understood and agreed between General Motors and du Pont Company that, because of the latter's acquisition of control over General Motors, General Motors would give preference to du Pont Company in buying products for use in its operations. It was agreed that General Motors would purchase from du Pont all or substantially all of its requirements of products manufactured by du Pont, and would refrain, in whole or in large part, from purchasing such products from com-

petitors of du Pont Company. It was further understood [fol. 321] and agreed that du Pont Company in buying cars or trucks or other products produced by General Motors would buy all or substantially all of such goods from General Motors, and refrain, in whole or in large part, from purchasing such products from General Motors' competitors.

57. In 1917, du Pont Company was producing principally powder and explosives. It manufactured new items which could be used in the production of automobiles. Among the few items required by General Motors which were produced by du Pont Company or its subsidiaries in 1917 was celluloid which, in transparent form, was used in making side curtains for automobiles, and artificial leather which was used extensively in automobile seats and upholstery. Beginning in or about 1917, General Motors has purchased all or substantially all of its requirements of these items from du Pont Company.

58. The du Pont Company, from in or about 1917, has purchased all or substantially all of its requirements of cars and trucks and other items produced by General Motors from that company or its dealers.

59. In 1917, the du Pont Company was engaged to but a limited extent in the production of paints and varnishes and related products. In reliance upon the understanding that it would be the primary supplier for General Motors of products which were manufactured by du Pont, and knowing that General Motors would constitute a large market for paints, varnishes, lacquers, thinners, enamels, and the like, du Pont Company embarked, starting in 1917, upon a program of acquiring numerous independent companies engaged in the production of such products. Among the companies so acquired were Bridgeport Wood Finishing Company; Cauley, Clark & Company; Harrison Brothers & Company, Inc.; Flint Varnish [fol. 322] & Chemical Works; New England Oil Paint & Varnish Company; Chicago Varnish Company; Mountain Varnish & Color Works. At the time it was acquired by du Pont Company, the Flint Varnish & Chemical Works specialized in automobile finishes, and General Motors acquired and held a minority interest in the common stock of that company. After acquiring the majority stock in-



terest in Flint Varnish, du Pont Company purchased from General Motors its minority interest pursuant to an understanding and agreement between General Motors and du Pont Company that General Motors would not engage in the production of paints and varnish and allied products so long as du Pont Company was engaged in such business and retained its control over General Motors.

60. The paint and varnish companies which were acquired by du Pont Company were thereafter dissolved and their assets taken over by du Pont Company and incorporated in its Fabrics and Finishes Department. The Fabrics Division of this department produces artificial leather and other coated fabrics while the Finishes Division of such department produces paints, enamels, varnishes, lacquers, thinners, and related products. Beginning in or about 1917, General Motors has purchased all or substantially all of its requirements of items in this fabrics and finishes field from du Pont Company. The bulk of the purchases made by General Motors from du Pont Company are from the Fabrics and Finishes Department. General Motors is not only the largest customer of this department but its purchases constitute a large percentage of the department's total volume of business. This department is one of, if not the largest, profit producer of the many departments of du Pont Company.

[fol. 323] 61. At the time du Pont Company first acquired a substantial stock interest in General Motors, that company operated through somewhat autonomous operating divisions, each of which had its own purchasing departments which purchased for their own division with but limited supervision from the central office of General Motors. In order to secure more effective liaison among these divisional purchasing agents and to insure that du Pont Company wishes would be promptly communicated to them and fully complied with, a central purchasing committee for General Motors was established in or about 1922. The membership of this committee was made up of the purchasing agents of the operating divisions and the committee met approximately monthly. The chairman of the committee was at all times one of the high executives of General Motors who was either a former executive of du Pont Company or one who possessed the com-

plete confidence of du Pont Company. This central purchasing committee was an effective instrumentality in carrying out the du Pont-General Motors intercompany sales arrangements hereinbefore and hereinafter described.

62. The original policy of requiring General Motors to purchase exclusively from du Pont the products du Pont was able to supply was subsequently modified so as to permit General Motors to purchase from 20 to 25 per cent of its requirements of the products du Pont manufactured which General Motors used from companies other than du Pont, leaving du Pont with 75 to 80 per cent of the General Motors business. This modification was made because of the fear of both du Pont and General Motors that their business relations with other concerns might be jeopardized if it became generally known that General Motors was required to buy exclusively from du Pont.

[fol. 324] 63. General Motors, as a protected market for du Pont Company, from which its competitors have been substantially excluded, has provided du Pont Company a substantial and highly profitable outlet for its products. Du Pont Company's direct sales to General Motors and Ethyl (excluding sales of du Pont products made to General Motors by others than du Pont Company) have exceeded \$191,000,000 for the period 1938 to 1947, inclusive.

#### 4. Agreements relating to division of fields

64. Du Pont Company, following its acquisition of control over General Motors in or about 1917, not only extended its operations into the manufacture of paints and varnishes and related products, but also began expanding into other areas in the chemical field. In connection with this expansion, du Pont Company entered into an agreement with General Motors to the effect that the latter would refrain from the manufacture of chemicals, including paints and varnishes and similar products, leaving this field, as between the two companies, exclusively to du Pont Company. It was further agreed between the two companies that when General Motors made discoveries in the chemical field, it would inform du Pont Company of the findings and grant to du Pont Company exclusive development, production, and exploitation rights with respect to **such discoveries**. It was also understood that if any of

said General Motors' discoveries were usable in General Motors operations, du Pont Company would, after their development, make them available to General Motors Company for use upon an exclusive or preferential basis. It was further understood that if du Pont Company made discoveries in the chemical field which might be of use in the production of automobiles, du Pont Company would promptly inform General Motors of its findings and grant to General Motors preferential rights with respect to such [fol. 325] discoveries, and General Motors would aid in the experimental work on such discoveries.

65. Two illustrations of the results of the agreements to divide fields are set out below.

#### (a) Tetraethyl lead

66. Starting in or about 1918, General Motors engaged in an extensive investigation into the nature and causes of "knocking" in internal combustion engines. The chemical research involved in this investigation revealed that the use of tetraethyl lead blended with gasoline in proper proportions constituted an effective "antiknock." When General Motors made this discovery, tetraethyl lead was a scarce and expensive product, production of which was highly hazardous. General Motors, therefore, continued its researches in an attempt to discover a cheaper and safer method of producing tetraethyl lead on a commercial basis. It was successful in its endeavor and discovered that tetraethyl lead could be produced commercially from ethyl bromide. It secured patents on both the use of tetraethyl lead in gasoline as an "antiknock" and on the method of producing it. The du Pont Company was kept fully advised by General Motors as to these developments. When General Motors had completed the basic research and development work, the project was surrendered to du Pont Company on an exclusive basis pursuant to the agreements set out above. Du Pont Company undertook to develop the "antiknock" commercially, and also to negotiate with companies in foreign countries such agreements as might be desirable to insure that tetraethyl lead as an "antiknock" could be produced and sold in the United States free from competition arising from such foreign sources.



[fol. 326] 67. In or about 1922, General Motors and du Pont Company were ready to exploit commercially the use of tetraethyl lead in gasoline as an "antiknock." The two companies then entered into agreements under which the du Pont Company was given the exclusive right to manufacture tetraethyl lead under the General Motors patents. The contract was a continuing one, giving the du Pont Company this exclusive right in perpetuity, but allowing it to cancel the contract on one year's notice. By supplementary contracts, du Pont was enabled to construct plants to produce tetraethyl lead upon a basis which involved no financial risk for du Pont Company and which imposed all such risks on General Motors.

68. The tetraethyl lead, which was manufactured by du Pont Company pursuant to the terms of the foregoing agreements, was distributed by a General Motors subsidiary which was organized to handle the marketing of the tetraethyl lead to oil companies. This General Motors subsidiary entered into an agreement, in or about 1924, with the Standard Oil Company of New Jersey (Standard Oil), giving that company the exclusive right to distribute tetraethyl lead for use as an "antiknock" in gasoline for a period of 18 months. During the period of this exclusive distributorship, Standard Oil discovered a new and improved method of producing tetraethyl lead. The new method was both cheaper and safer than the method which had been discovered by General Motors. It permitted the production of the tetraethyl lead from ethyl chloride, which was in plentiful supply, instead of from ethyl bromide, which was in very short supply. In the meantime, du Pont Company had built a sizable plant at Deepwater, New Jersey, and was producing substantial amounts of tetraethyl lead under the bromide process. Oil companies that were using the tetraethyl lead in their gasoline were [fol. 327] enthusiastic about the "antiknock" results achieved, and du Pont Company anticipated a great expansion in demand and production.

69. Standard Oil, relying on its exclusive distributorship rights to tetraethyl lead and on the potentialities of its new method of producing the product, demanded of General Motors and du Pont the right itself to produce tetraethyl lead and thereby share production privileges

and profits with du Pont Company. Du Pont Company objected even though its production of tetraethyl lead was at the time being severely limited by shortages in the supply of bromide. General Motors supported du Pont Company in resisting Standard Oil's attempt to enter into the business of producing tetraethyl lead.

70. The conflict was resolved by an agreement under which a new corporation, Ethyl Gasoline Corporation (later changed to Ethyl Corporation, and referred to herein as "Ethyl") was organized in or about 1924, to take over the physical assets and contract obligations of the General Motors subsidiary which had been handling the marketing of the tetraethyl lead produced by du Pont Company. Both Standard Oil and General Motors assigned to the new company their patents and patent applications relating to the use of tetraethyl lead as an "anti-knock" and to the methods of producing the substance. The voting stock in the new corporation was divided equally between General Motors and Standard Oil. It was agreed among du Pont Company, General Motors, and Standard Oil that the latter, in consideration for receiving a 50 per cent stock interest in Ethyl, and thereby securing a right to one-half of the profits involved in the distribution of the Ethyl fluid, would withdraw its demand to share with du Pont Company in the manufacture of tetraethyl lead. The three companies agreed that du Pont Company would [fol. 328] have the exclusive right to produce tetraethyl lead for Ethyl and to blend the tetraethyl lead into what was known as Ethyl fluid, and would be permitted to produce and supply total requirements of the principal products needed in the production of tetraethyl lead.

71. In the years following the organization of Ethyl, du Pont Company and General Motors entered into numerous contracts, agreements, and understandings which (a) gave to and insured to du Pont Company the exclusive right to produce tetraethyl lead, to blend the lead into the "Ethyl fluid" which Ethyl distributed to oil companies for blending in gasoline, and to supply exclusively the basic ingredients, such as ethyl alcohol, caustic soda, sodium, and other products which entered into the production of tetraethyl lead; and (b) provided that du Pont Company should erect the necessary plants to produce the tetraethyl lead and

certain of the products entering into its production, but upon terms involving no financial risk to du Pont Company and imposing the greater part of the expense of construction upon Ethyl.

72. The term of the last basic ethyl patent expired about December 31, 1947. Beginning in the early 1930's, du Pont Company and General Motors gave much attention to devising means for the protection of du Pont Company's monopoly in the production of tetraethyl lead and the blending of Ethyl fluid upon the expiration of the applicable patents. To achieve this purpose, General Motors and du Pont agreed that their arrangements with Ethyl would be modified from time to time prior to the expiration of the patents in such a way that when the patent protection ended, du Pont Company would be in a position not only to continue manufacturing the tetraethyl lead, but also to take over from Ethyl the distribution of the Ethyl fluid. [fol. 329] In furtherance of this agreement, a series of contracts were entered into between du Pont Company and Ethyl, the first ones being entered into in 1938, under which du Pont Company was "employed" by Ethyl to make tetraethyl lead, with du Pont Company to be compensated on the basis of an elaborate formula which was worked out among the parties, under du Pont Company's domination.

73. In or about January 1, 1948, the ethyl patent monopoly having expired, du Pont Company ceased manufacturing tetraethyl lead for the account of Ethyl and for distribution by Ethyl. Du Pont Company instead, as contemplated by the agreement reached between it and General Motors and referred to hereinbefore, manufactured tetraethyl lead and blended Ethyl fluid for its own account, and distributed the Ethyl fluid through its own organization.

74. The exclusive rights which du Pont Company secured in the tetraethyl lead development as a result of du Pont Company's control over General Motors established du Pont Company in a new and lucrative line of business and provided it with a protected market for tetraethyl lead, Ethyl fluid and the products used in making them, from which all competitors were rigidly excluded. Finally du Pont Company was enabled to enter the business for dis-



tributing as well as manufacturing Ethyl fluid, with a substantial advantage over potential competitors when the Ethyl patent monopoly ended.

75. During the period prior to 1938, du Pont Company's profits on the manufacture and sale of tetraethyl lead in this protected market approximated \$34,000,000. From 1938 to 1947, Ethyl paid du Pont Company an additional \$47,000,000 in payment for its services in the manufacture of tetraethyl lead. These sums received by du Pont Company do not include profits which it realized in the production of the basic ingredients utilized in the manufacture of tetraethyl lead and Ethyl fluid.

#### (b) Refrigerants

76. During the latter part of the 1920's General Motors' research department made discoveries of and secured patent applications on certain fluorine compounds (refrigerant) which would be of great use in connection with electric refrigeration. These discoveries were of particular significance to General Motors because, through its Frigidaire Division, it was engaged in the manufacture and sale of electric refrigerators whose successful operation depended in large part on the type of refrigerant used in the mechanism. The newly discovered refrigerant was a material improvement over those then on the market.

77. General Motors, pursuant to the understanding it had with du Pont Company, promptly advised du Pont Company of the discovery of the new refrigerant. Du Pont Company thereupon advised General Motors that as the discovery was in the chemical field, it should be handled by du Pont Company rather than by General Motors. The latter company acceded to du Pont Company's demands.

78. In or about 1930, General Motors and du Pont Company entered into an agreement to set up a third corporation, Kinetic Chemicals, Inc., to handle both the manufacture and the sale of the new refrigerant and to further developments in the field. The new company was organized with du Pont Company securing 51 per cent of its common stock and General Motors being allocated the minority share of 49 per cent. General Motors gave

the new company an exclusive license under the patents which General Motors had secured.

[fol. 331] 79. Since the organization of Kinetic Chemicals, Inc. it has been operated by du Pont Company as a division of its Organic Chemicals Department and has been wholly under the control and direction of du Pont Company. The Frigidaire Division of General Motors has, pursuant to the terms of the hereinbefore described understanding and agreement between General Motors and du Pont Company, purchased its requirements of refrigerants exclusively from Kinetic.

80. During a part of the time covered by this conspiracy, Kinetic sold its patented refrigerants exclusively to the Frigidaire Division of General Motors, and pursuant to agreement with that company refused to sell such refrigerants to other manufacturers of electric refrigerators. Thereafter, Kinetic sold certain forms of its patented refrigerants to companies other than General Motors but reserved other and preferred forms of such refrigerants exclusively for use by and sale to the Frigidaire Division of General Motors. Substantially all of the refrigerants used by General Motors have been purchased by it from Kinetic or from persons through whom Kinetic sells.

##### 5. Agreements relating to reciprocity

81. The expansion in size, power and market control of du Pont Company at the expense of competitors has been aided through its use of the weapon of reciprocity demands and pressure against suppliers of General Motors.

82. Shortly after du Pont Company acquired control of General Motors, the two companies entered into an understanding under which General Motors provided du Pont Company with detailed information as to the companies which were suppliers of General Motors and the [fol. 332] amounts and the volume of goods which such suppliers sold General Motors. General Motors supplied this information to du Pont knowing that such company intended to use this information to induce suppliers of General Motors to reciprocate by purchasing from du Pont Company the products which it produced. Later this general arrangement between du Pont and General Motors was

formalized under an agreement between the two companies which provided that whenever a high executive of du Pont desired information concerning suppliers of General Motors the request for such information should be directed to a designated high executive of General Motors who would secure the specific information and furnish it to du Pont Company.

83. The du Pont Company made it known to suppliers in various ways that if they desired to continue to do business with General Motors, it would be advisable for such suppliers to buy from du Pont Company those materials manufactured by du Pont Company which were needed in connection with the manufacture of the products which the suppliers produced.

#### 6. Expansion of du Pont through its control of General Motors

84. Du Pont Company's present investment in General Motors stock, which at current market prices is worth in excess of \$500,000,000, was acquired by it at a cost of approximately \$47,000,000. Du Pont Company has received approximately \$676,000,000 in dividends from its General Motors stock during the period from 1918 to 1947, inclusive. In addition, as hereinbefore alleged, du Pont Company has realized both substantial competitive advantage and great profit from the exclusion of competitors from the opportunity of competing for General Motors' business and from the substantial monopolization of said [fol. 333] business by du Pont Company. Illustrative of the many competitive advantages, in addition to enhanced profits and other income, which accrued to du Pont from its control over General Motors, was the assured availability of a substantial and noncompetitive market for any product usable by General Motors which du Pont might contemplate manufacturing, and du Pont Company's exclusive access to the results of General Motors research and experimentation in numerous fields of potential du Pont expansion.

85. Du Pont Company has utilized the dividends from General Motors' stock, the profits derived from its sales in the closed General Motors market, and the many competitive advantages arising from its control over General



Motors, to expand its operations in its existing fields of production, and into fields new to it. This expansion has been in large measure accomplished by the acquisition of independent companies, as well as by the organization of new companies in partnership with other interests. The following are illustrative of these du Pont Company acquisitions and expansions during the period of the conspiracy herein:

86. In 1917 du Pont acquired Beckton Chemical Company; Bridgeport Wood Finishing Company; Cauley, Clark & Co.; and Harrison Brothers & Co., Inc., all in the paint and varnish industry.

87. In 1918 du Pont acquired the Flint Varnish and Color Works (General Motors held a minority interest in this company which du Pont bought out in 1923) and the New England Oil Paint & Varnish Co., these companies also being in the paint and varnish field. The Flint Varnish and Color Works specialized in the production of finishes for automobiles.

[fol. 334] 88. In 1919, du Pont acquired a 43.8 per cent stock interest in Canadian Explosives, Ltd. (whose name was changed in 1927 to Canadian Industries, Ltd.), with the bulk of the remaining stock in that company being acquired by the Nobel interests of Great Britain, who occupied a position in the field of powder and explosives in Great Britain similar to that occupied by du Pont Company in the United States.

89. In 1920, du Pont acquired full control of the du Pont Fabrikoid Company (maker of artificial leather) in which it had acquired a part interest in 1915. In 1920 du Pont also, with certain French interests, formed the du Pont Fiber Silk Company (60 per cent owned by du Pont) to manufacture rayon. Later, the name of this company was changed to the du Pont Rayon Company, with du Pont Company acquiring full control in 1929.

90. In 1923, the du Pont Company and French interests organized the du Pont Cellophane Company, with du Pont acquiring 52 per cent of the capital stock.

91. In 1924, du Pont acquired the business and assets of General Explosives Company. In the same year, du Pont Company acquired 63 per cent of the capital stock of Lazote, Inc., which was formed to manufacture syn-

thetic ammonia under patents owned by French interests. Later (1926), du Pont Company's stock interest in Lazote, Inc. was merged into a new company, du Pont National Ammonia Company (in which du Pont acquired a majority of the stock), with the latter acquiring a 100 per cent stock ownership in National Ammonia Company, Inc., a leading distributor of anhydrous ammonia to the refrigeration trade, and a 79 per cent stock interest in Pacific Nitrogen Company. In 1928 du Pont Company acquired the minority interest in du Pont National Ammonia Company and acquired additional stock in Lazote, Inc., bringing its interest in that firm up to 89 per cent and thereupon dissolved the du Pont Ammonia Company. Through ownership of National Ammonia Company, du Pont Company had a 74 per cent interest in Michigan Ammonia Works and a majority interest in Pacific Ammonia and Chemical Co., and in 1929 secured full control of Lazote with all of the assets of the ammonia business being thereafter consolidated under the du Pont Ammonia Corporation. The assets of these ammonia companies were later taken over by the parent company.

92. In 1924, du Pont formed the du Pont Pathe Film Manufacturing Corporation (name changed in 1931 to du Pont Film Manufacturing Corporation), with French interests, with du Pont Company acquiring all of the preferred stock and 51 per cent of the common. In 1928 it acquired full control of the company.

93. In 1925, du Pont formed the du Pont Viscoloid Company, which took over the celluloid plants of the du Pont Company and a plant of the Viscoloid Company, with du Pont Company receiving 83 per cent of the common stock of du Pont Viscoloid Company and acquiring full control in 1928.

94. In 1925, du Pont acquired a 50 per cent stock interest in Eastern Alcohol Corporation, which was formed jointly with Kentucky Alcohol Corporation to construct an alcohol plant at Deepwater Point, New Jersey. In 1931, du Pont acquired full control of Eastern Alcohol Corporation.

95. In 1927, du Pont acquired the assets and business of Excelsior Powder Company.

96. In 1928, du Pont acquired a 50 per cent stock in-

terest in Bayer-Semesan Co., Inc., which was formed jointly with Winthrop Chemical Company.

[fol. 336] 97. In 1928, du Pont acquired, through a subsidiary, du Pont Viscoloid Company.

98. In 1928, du Pont acquired a 50 per cent interest in the Old Hickory Chemical Company, which was organized in conjunction with other interests to manufacture carbon bisulphide at Old Hickory, Tennessee.

99. In 1928, du Pont acquired the Grasselli Chemical Company, which operated 23 plants in the production of acids and heavy chemicals, lithopone, and other pigments, zinc and zinc products, and other products. The acquired company's Canadian plant and business were transferred to Canadian Industries, Inc., its acid and heavy chemicals business were turned over to a newly formed company, the Grasselli Company, and the explosives plants and business of the acquired company were combined with the corresponding department of du Pont.

100. In 1929, du Pont acquired Krebs Pigment and Chemical Company, a leading manufacturer of lithopone. Later, Krebs Pigment and Color Corporation was formed to consolidate Krebs Pigment and Chemical Company, the pigment and dry color operations of Grasselli Company and the titanium pigment business of Commercial Pigments Corporation, which was owned by Commercial Solvents Company. The Grasselli Chemical Company owned 70 per cent of the stock of the new company and Commercial Solvents 30 per cent, with the latter interest being acquired by du Pont Company in 1934.

101. In 1930, du Pont acquired the assets and business of the Roessler and Hasslacher Chemical Company of New York, manufacturers of a large number of important chemicals. (In the same year, du Pont acquired a 51 per cent interest in Kinetic Chemicals, which was formed jointly with General Motors Corporation.)

[fol. 337] 102. In 1931, du Pont acquired the dyestuffs and organic chemical properties and business of the Newport Company and through this acquisition, acquired a 72 per cent common stock interest in Acetol Products, Inc., manufacturers of Cel-O-Glass. The latter company was subsequently dissolved and its assets taken over by du Pont.

103. In 1932, du Pont acquired a 55 per cent interest



in Gardinol Corporation, which was formed jointly with Procter & Gamble Company to exploit cleaning materials in the textile industry.

104. In 1933, du Pont acquired 94 per cent of the preferred stock and 51 per cent of the common stock of Remington Arms Company, Inc., in which du Pont's voting stock interest was later increased to approximately 60 per cent.

105. As a result of du Pont Company's subsidized and protected expansion program, it became, during the period of the conspiracy herein, the largest producer of explosives and chemicals in the United States. Indicative of the extent of du Pont Company's growth by the illegal means herein alleged is the fact that its annual sales increased 2,300 per cent from 1910 to 1947, rising from approximately \$34,000,000 in 1910 to approximately \$783,000,000 in 1947.

#### 7. Expansion of General Motors through favored treatment by du Pont

106. Since the date when du Pont Company purchased a controlling interest in General Motors the latter company has expanded its operations into many fields other than the manufacture and sale of passenger cars and trucks. In each of these new fields, as well as in the original field of passenger cars and trucks, General Motors has acquired a dominating position.

[fol. 338]. 107. Each expansion by General Motors into a new field was first approved by the du Pont Company. In many instances du Pont initiated the entry of General Motors into the new field. In order to place General Motors in a position of competitive advantage in each of the fields in which it was engaged, and to assure General Motors a rapid expansion, du Pont, for many years from and after 1926, gave General Motors a secret rebate on all purchases made by General Motors from du Pont over and above the volume which General Motors had theretofore normally purchased from du Pont.

108. Under the 1926 rebate agreement, du Pont agreed to give General Motors a rebate of 7½ per cent on the first million dollars of purchases made by General Motors from du Pont in excess of \$8,000,000; an additional 10

per cent rebate on the next million dollars of purchases; a rebate of  $12\frac{1}{2}$  per cent on the next million dollars of purchases; and a rebate of 15 per cent on all additional purchases. These discounts were over and above the normal discounts ordinarily allowed by du Pont to its customers for quantity purchases.

109. Du Pont Company financed its rebate arrangements with General Motors by raising the prices which it charged to customers other than General Motors. Because disclosure of the arrangement would require du Pont to reduce its prices on sales to customers other than General Motors and discontinue its rebates to General Motors, du Pont Company made it clear to General Motors that it was imperative that the rebate arrangement and all its details be kept strictly secret and confidential.

110. This rebate plan was approved by the Executive Committee of du Pont Company; although the plan was not made a matter of record in the official minutes of such [fol. 339] committee. Under the plan, du Pont Company for many years paid rebates to General Motors. Such rebates were distributed to the various operating divisions of General Motors on the basis of volume of purchases made from du Pont. Said discriminatory and preferential secret rebates paid to General Motors by du Pont contributed in substantial part to General Motors' expansion in the automotive field, and in fields new to it.

111. The expansion of General Motors, approved and initiated by du Pont Company, substantially enlarged the protected and noncompetitive market available to du Pont and du Pont's profits therefrom, and substantially increased the income accruing to du Pont Company as dividends from General Motors' stock. As alleged in the preceding subsections hereof, said profits and income were utilized to subsidize the expansion of du Pont Company.

### C. Acquisition and exercise of control by du Pont family over United States Rubber

#### 1. Acquisition of stock

112. In or about 1927, the defendants Pierre, Lammot, and Irene du Pont, together with Henry B. du Pont, Lammot du Pont Copeland, and certain of the other members of the du Pont family and their close business asso-

ciates who controlled du Pont Company, formed a syndicate for the purpose of purchasing sufficient of the capital stock of United States Rubber Company to give the members of the syndicate control over that company.

113. At the time the syndicate was organized, its members knew that United States Rubber Company, although one of the largest manufacturers of rubber products in the United States, was in financial difficulties. United States Rubber had an excessive inventory of rubber and [fol. 340] had been unable to sell any substantial number of tires and tubes to General Motors or other automobile manufacturers for original equipment use, one of the most important outlets for rubber products.

114. The syndicate commenced its buying operations in June 1927, and by December of 1927, had purchased approximately 150,000 shares of United States Rubber common stock. By agreement among the members of the syndicate these shares were held by trustees, including defendants Lammot and Irene du Pont, and by these trustees voted as a block at meetings of the stockholders of United States Rubber.

115. In December 1929, the members of the syndicate organized the Rubber Securities Company as a personal holding company for the purpose of consolidating their existing holdings of United States Rubber stock and of increasing these holdings. Members of the syndicate became stockholders in Rubber Securities Company, which purchased the United States Rubber holdings of the members of the syndicate, together with additional shares of United States Rubber Company common stock which were purchased through brokers. By the end of December 1929, Rubber Securities held approximately 314,000 shares of United States Rubber Company common stock and 46,000 shares of preferred stock, acquired at a cost of approximately \$8,277,000 and \$2,306,000, respectively, a total of \$10,583,000.

116. The Rubber Securities Company held these shares of stock intact until November 1937. At that time the stockholders of Rubber Securities began exchanging their stock in that Company for the United States Rubber common and preferred stock which it held. The exchange was completed by December 1, 1938, and on that date Rubber



[fol. 341] Securities was dissolved. Since December 1, 1938, the shares of United States Rubber common and preferred stock which had been held by Rubber Securities Company have been held individually by the persons who were stockholders in Rubber Securities Company, or their successors in interest, and such holdings have been maintained substantially intact by defendant individuals and ~~class defendants~~ *members of the du Pont family*. The persons now holding the United States Rubber stock, which was distributed as a result of the dissolution of Rubber Securities Company, are, in the main, the same persons who hold a controlling interest in the stock of Delaware Realty and Christiana Securities Company.

## 2. Control over United States Rubber

117. The stock acquisitions which the syndicate had made by the end of 1927 were sufficient to give the syndicate control over United States Rubber. This control was utilized to make drastic changes in the Board of Directors of United States Rubber. Of the fourteen persons who were on the Board of Directors of that company immediately prior to the beginning of the syndicate's stock-purchase operations, four were replaced by joint action of the members of the syndicate in 1928, and another six were replaced in the following year, leaving only four of the original directors remaining on the Board. These four were thereafter replaced. In 1928, the members of the syndicate agreed upon and secured the appointment of Francis B. Davis, Jr., as President of United States Rubber and as a member of its Board of Directors. For many years prior thereto, Francis B. Davis, ~~Sr.~~ *Jr.*, had been one of the top executives of du Pont Company and had also served for a number of years in a high executive capacity with the defendant General Motors Company by design-  
[fol. 342] nation of the du Pont Company. The members of the syndicate also instituted a bonus plan for United States Rubber executives which was similar in nature and designed to achieve the same results as the hereinbefore described bonus plan for General Motors executives. Throughout the period of time that the bonus plan for United States Rubber executives has been in operation, the allocation of benefits and the determination of the

amount of such allocation has been made by a committee dominated by persons selected by defendant individuals and ~~class defendants~~ *members of the du Pont family*. As an inevitable and intended consequence of the operation of the plan, United States Rubber executives have responded readily to the influence and desires of du Pont Company.

118. Since in or about 1928 the defendant individuals and the ~~class defendants~~ *members of the du Pont family* who hold United States Rubber stock have, by agreement and understanding among themselves, controlled the selection of the members of the Board of Directors of United States Rubber, and no person has been elected to membership on that Board without the approval of the said individual defendants and those ~~class defendants~~ *members of the du Pont family* who held United States Rubber common stock.

119. The defendant individuals and ~~class defendants~~ *members of the du Pont family* have for many years past held, either directly or through personal holding companies and trusts, approximately 300,000 (or 17 per cent) of the 1,761,092 shares of outstanding common stock of United States Rubber.

120. The common stock of United States Rubber, other than that held by defendant individuals and ~~class defendants~~ *members of the du Pont family*, is distributed among [fol. 343] approximately 14,000 other stockholders who are located all over the United States, as well as in foreign countries. The concentrated stockholdings in United States Rubber of defendant individuals and the ~~class defendants~~ *members of the du Pont family*, as contrasted to the dispersed and small holdings of approximately 14,000 other stockholders, enable the defendant individuals and those ~~class defendants~~ *members of the du Pont family* who own United States Rubber stock to control the selection of members of the Board of Directors, the administration and the policies of United States Rubber.

### 3. Reciprocal preferences between du Pont Company and United States Rubber

121. Beginning in or about 1928, after the syndicate had taken over control of United States Rubber, that company instituted, by agreement and understanding with

defendant individuals, ~~the class defendants~~ *certain members of the du Pont family* and du Pont Company, the policy of giving preference to du Pont Company over its competitors in making purchases of products which were produced by the du Pont Company. It was agreed that United States Rubber would purchase from du Pont Company all or substantially all of its requirements of products produced by du Pont Company, and would refrain in whole or in major part from purchasing such products from competitors of du Pont Company. It was further understood and agreed that du Pont Company, when it purchased products of the kind produced by United States Rubber, would purchase all or substantially all of such products from United States Rubber. The policy originally established by such agreements was modified to permit each of these companies to purchase limited amounts from competitors of the other. This was done in order to prevent their respective business relations with other firms [fol. 344] from being jeopardized by adhering too rigidly to a policy of total exclusion of competitors from the opportunity of securing some of the business of each of these defendant companies.

#### 4. Reciprocal relations between United States Rubber and General Motors

122. Prior to 1929, United States Rubber had sold practically no tires and tubes to General Motors for use as original equipment on General Motors' cars and trucks, although General Motors was one of the largest of such buyers in the United States. This type of business was regarded by tire and tube manufacturers as being highly desirable because purchasers of motor vehicles tended to purchase replacement tires and tubes of the same make as those which came as original equipment with the car.

123. In 1929 General Motors, because of the stock acquisition by the members of the du Pont family as alleged, began giving United States Rubber a substantial portion of the General Motors business for original equipment tires and tubes. In that year, General Motors arbitrarily granted United States Rubber a minimum of 30 per cent of the tire business of Pontiac Division and a minimum of 15 per cent of the tire business of the Oakland Division, as well as



certain other tire business with the other automotive divisions of General Motors. The grant of this business was made by General Motors in the face of opposition from the sales department of certain of the Divisions and from their dealer organizations.

124. Prior to 1929, the General Motors subsidiary in Canada had, on direct orders of its parent company, been purchasing all of its requirements of tires and tubes from a tire company in which Canadian Industries, Inc., had an interest. (Du Pont Company had approximately 44 per cent interest in the voting stock of Canadian Industries, [fol. 345] Inc.) In 1929, on orders from the parent company, the Canadian subsidiary began buying approximately 50 per cent of its requirements of tires and tubes for original equipment from the Canadian subsidiary of United States Rubber.

125. During 1930, by agreement among the defendants, General Motors and its subsidiaries continued to purchase an increasingly large number of tires and tubes from United States Rubber for use on original equipment. On January 1, 1931, General Motors and United States Rubber entered into a long term contract under the terms of which General Motors agreed on behalf of itself and its subsidiaries and affiliates, including its Canadian subsidiary, to purchase at least 50 per cent of its requirements of original equipment tires and tubes, including spare tires, from United States Rubber. General Motors agreed that it would discourage its dealers and distributors from removing such tires from General Motors cars and trucks and substituting tires manufactured by companies other than United States Rubber. A supplementary agreement entered into between the two companies shortly after the primary agreement was executed increased General Motors' percentage of purchases from United States Rubber by providing for the purchase from United States Rubber of 100 per cent of the tire requirements of the Oldsmobile, Oakland, Pontiac, and GMC truck divisions, and 65 per cent of the requirements of the Cadillac and La Salle Divisions of General Motors.

126. The foregoing agreements provided that General Motors would carry the risk and responsibility of purchasing the rubber and cotton to be used in the manufac-

ture of the tires which it was to purchase from United States Rubber. The agreements also provided that United States Rubber would actually make the purchases as [fol. 346] "agent" for General Motors, and that General Motors would then resell to United States Rubber at cost plus not to exceed  $12\frac{1}{2}$  per cent, the rubber and cotton which United States Rubber had itself purchased on General Motors' account. By this means, the agreements provided for the payment to General Motors of a rebate on the price which it paid to United States Rubber for tires and tubes, in an amount equal to  $12\frac{1}{2}$  per cent of the cost of the rubber and cotton used therein.

127. In addition to the substantial rebate to be paid to General Motors as profit on fictitious sales of cotton and rubber, the General Motors—United States Rubber contract of 1931 provided for substantially lower prices to General Motors than were to be made available to other purchasers of tires and tubes from United States Rubber. Provision was made within the contract to conceal its terms not only from other United States Rubber customers, but from General Motors employees as well. The contract provided that tires and tubes delivered under the contract were to be built by United States Rubber to the several car and truck divisions of General Motors at fictitious prices which were substantially higher than the true prices. General Motors agreed that its divisions would pay United States Rubber the fictitious prices so billed, and that thereafter United States Rubber would rebate to General Motors the difference between the true price and the fictitious price. This arrangement was carried into effect.

128. An agreement supplementary to the primary agreement of January 1, 1931, provided for special prices on spare tires purchased by General Motors for use as original equipment in addition to the running tires. This agreement provided that the first spare tire was to be sold by United States Rubber to General Motors at prices materially below the price of the running tires while [fol. 347] "second spare" tires were to be provided free of any charge for cars which were to be exported and for cars manufactured by those divisions of General Motors which purchased their entire requirements of tires from United States Rubber.

129. Although varied in detail from time to time, the agreements of 1931 remained in effect until 1933. In that year a new long term purchase agreement was entered into between United States Rubber and General Motors, guaranteeing United States Rubber substantially the same proportion of General Motors' original equipment tire business as had been allocated to United States Rubber in the earlier agreement, but making minor modifications in the pricing formulas. Under the 1933 agreement the prices to be charged by United States Rubber to General Motors were not to be in excess of the lowest prices being charged by United States Rubber and its three principal competitors to General Motors or to any other original equipment purchaser. But in a separate letter agreement, United States Rubber agreed to give General Motors the following discounts:

Volume of sales	Discount
\$10,000,000	\$ 825,000
\$11,000,000	940,000
\$12,000,000	1,050,000
\$13,000,000	1,200,000
\$14,000,000	1,350,000
\$15,000,000	1,500,000
And up	10 per cent

130. Thereafter, a disagreement arose between General Motors and United States Rubber as to the amount of rebate which the latter could pay to General Motors and still leave United States Rubber sufficient return to cover its costs. On December 17, 1934, the differences were resolved by a further agreement providing that United States Rubber would guarantee to General Motors a firm discount, to be paid whether or not the net prices paid by [fol. 348] General Motors were sufficient to cover United States Rubber's cost of production, and further providing that United States Rubber would rebate to General Motors one-half of any profits in excess of 10 per cent which it realized on sales to General Motors over and above \$15,000,000 annually.

131. From time to time thereafter the amount of the guaranteed discount to be paid to General Motors by United States Rubber was revised and slight changes



made with respect to the percentage of the requirements of the various divisions of General Motors which United States Rubber would supply. In August 1936, the 1933 agreement was further modified to provide that General Motors would buy from United States Rubber 75 per cent of original equipment tires for all divisions except Chevrolet and GMT, and 55 per cent of the requirements of Chevrolet and 66 $\frac{2}{3}$  per cent of the requirements of GMT. United States Rubber agreed to charge General Motors the lowest price available to any purchaser of tires and tubes as original equipment for automobiles from any manufacturer, and in addition agreed to grant General Motors discounts ranging from 1 $\frac{1}{2}$  per cent on sales of \$3,000,000 to 3 $\frac{1}{2}$  per cent on sales of \$21,000,000 and over. A supplemental agreement provided that General Motors' Canadian subsidiary would purchase at least 50 per cent of its requirements from United States Rubber's Canadian subsidiary. These agreements were in effect to January 31, 1942, when they were discontinued because of the wartime emergency. At the conclusion of the war, General Motors resumed its purchases of tires and tubes from United States Rubber on substantially the same basis as had prevailed before the war.

132. Availability of the guaranteed noncompetitive General Motors' market for a tremendous quantity of tires and tubes has enabled United States Rubber to advance [fol. 349] from a position of financial distress to one of profit and power. United States Rubber's direct sales to General Motors during the period 1934 to 1943; approximated \$402,000,000. Use of United States Rubber's products as original equipment on General Motors cars also resulted in a proportionate rise in sales of United States Rubber tires and tubes for replacement use.

133. The preferential prices and secret rebates granted to General Motors by United States Rubber, which were unavailable to General Motors' competitors, contributed substantially to the enhancement of the size, power, and market control of General Motors. In addition, as a result of the activities in the acquisition and exercise of control over United States Rubber herein alleged, du Pont Company's expansion has been directly subsidized by profits from closed market sales to United States Rubber

(amounting to over \$72,000,000 during the period 1938 to 1947) and indirectly subsidized through the hereinbefore alleged advantages accruing directly to General Motors.

## VI

### Effects of the Conspiracy

134. The aforesaid agreements and concerted action by the defendants pursuant to and in furtherance of the combination and conspiracy alleged in this Complaint, have had the effects, as intended by the defendants, of permitting the individual defendants and ~~class defendant~~ *members of the du Pont family* to acquire control of du Pont Company in perpetuity through their family holding companies, defendants Christiana and Delaware; of acquiring control of General Motors by du Pont Company; of acquiring control of United States Rubber Company by the individual and ~~class defendants~~ *and members of the du Pont family*; of requiring each defendant manufacturer to purchase its requirements of the products of each [fol. 350] of the other defendant manufacturers in a substantially closed market, thus depriving outside suppliers of an opportunity to compete freely for such business; of increasing the size of such closed market by using the reciprocal benefits of interlocking control, and closed market buying; of increasing the size and competitive position of each of the defendant manufacturers by intercompany subsidization made possible by such interlocking control and reciprocal buying and selling arrangements; of expanding still further the market of each defendant manufacturer by requiring that the outside suppliers of one or more of such defendant manufacturers purchase products from the other defendant manufacturers on the basis of reciprocity, thus depriving such suppliers of an opportunity to purchase their requirements in a free market; of eliminating competition among defendant manufacturers by dividing manufacturing fields between them on an exclusive basis; of enhancing the competitive position of each defendant manufacturer by selling among themselves products manufactured by one and used by the others at discriminatory and preferential prices, and selling to outsiders at higher prices, all of which practices have had the effect

of unreasonably restraining and monopolizing the trade and commerce in which each manufacturing defendant is engaged, in violation of Sections 1 and 2 of the Sherman Act and of Section 7 of the Clayton Act.

### Prayer

Wherefore, the Plaintiff prays:

1. That pursuant to Section 5 of the Sherman Act, a summons issue to each of the defendants commanding such defendant to appear and answer the allegations contained in this complaint and to abide by and perform such orders and decrees as the Court may make in the premises.

[fol. 351] 2. That the aforesaid combination and conspiracy, contracts, agreements, arrangements, and understandings in unreasonable restraint of trade and commerce, and conspiracy to monopolize, be adjudged and decreed to be unlawful and in violation of Sections 1 and 2 of the Sherman Act, and of Section 7 of the Clayton Act; and that the Court adjudge and decree that the defendants and each of them, *except the beneficiary defendants named in Paragraph 11 of the Complaint as amended*, have combined and conspired to restrain and to monopolize interstate trade and commerce in violation of Sections 1 and 2 of the Sherman Act and Section 7 of the Clayton Act, as charged.

3. That the defendant du Pont Company be enjoined from paying to its stockholders in the form of stock dividends or otherwise the General Motors stock which du Pont Company holds, and be required promptly to dispose by sale of all of its holdings of such stock in General Motors, and promptly thereafter to pay to its stockholders in cash dividends the entire proceeds of such sale.

4. That pending the aforesaid sale of such stock by defendant du Pont Company, it be enjoined from exercising any voting rights under such stock.

5. That the defendants Christiana and Delaware be enjoined from paying to their stockholders in the form of stock dividends or otherwise any of the voting stock which they hold in General Motors, and be required promptly to dispose by sale of their holdings of such stock,



and promptly thereafter pay to their stockholders in cash dividends the entire proceeds of such sales.

6. That pending the aforesaid sale by Christiana and Delaware of such stock, they be enjoined from exercising any voting rights under it.

[fol. 352] 7. That the defendant General Motors be given the option, for a period of one year, to purchase all or any part of the voting stock of General Motors held by du Pont Company, Christiana and Delaware, the defendant individuals and ~~the class defendants~~ *Wilmington Trust Company and the members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended.*

8. That the defendants Christiana, Delaware, the individual defendants, and ~~the class defendants~~ *Wilmington Trust Company and the members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended*, be enjoined from purchasing or otherwise acquiring any of the voting stock of General Motors which is disposed of by du Pont Company, Christiana and Delaware, and be enjoined from establishing, aiding in the establishment, designating, appointing, nominating, or instructing any subsidiaries, holding companies, trustees, designees or others to acquire such stock on behalf of said defendants, either directly or indirectly.

9. That the defendants Christiana, Delaware, ~~the individual defendants, and the class defendants~~ *and the defendant individuals named in Paragraphs 5 and 9 of this Complaint* be enjoined from in any way aiding or assisting, whether by loans, gifts, or otherwise, any other member of the du Pont family ~~not included in this proceeding, as an individual defendant or class defendant~~ in the acquisition of any of the aforesaid stock which du Pont Company, Christiana and Delaware are required as aforesaid to dispose of.

10. That the individual defendants and ~~the class defendants~~ *Wilmington Trust Company and the members of the du Pont family named defendants, in Paragraph 9 of the Complaint as amended* be required to sell or otherwise dispose of all of their voting stock in General Motors and [fol. 353] United States Rubber, however it may be held; be enjoined from establishing, aiding in the establishment, designating, appointing or nominating other companies or

persons to acquire such stock and hold it beneficially for any one or more of such ~~individual~~ defendants ~~or class defendants~~ or any other member of the du Pont family; and be enjoined from disposing of any of such stock, whether by gift, devise, trust agreement, or otherwise, to or for the benefit of any member of the du Pont family.

11. Pending the sale or other disposition by the individual defendants and ~~class defendants~~ *Wilmington Trust Company and those members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended* of their voting stock in General Motors and United States Rubber, that such individual defendants and ~~class defendants~~ *Wilmington Trust Company and those members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended*, and any persons or corporations holding such stock for the beneficial interest of any individual defendant or ~~class defendants~~ *Wilmington Trust Company and those members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended*, be enjoined from exercising voting rights under it.

12. That the defendant United States Rubber be given the option for a period of one year, to purchase all or any part of the voting stock of United States Rubber held or beneficially held by any defendant individual or ~~class defendants~~ *Wilmington Trust Company or any member of the du Pont family named as a defendant in Paragraph 9 of the Complaint as amended*.

13. That defendants du Pont Company, Christiana, Delaware, the individual defendants, and the ~~class defendants~~ *Wilmington Trust Company and those members of the du Pont family named as defendants in Paragraph 9 of the* [fol. 354] *Complaint as amended* be perpetually enjoined from acquiring any capital stock in General Motors or United States Rubber Company, or any company in which either of such companies has a stock or financial interest.

14. That the individual defendants and the ~~class defendants~~ be enjoined from in any way aiding or assisting, whether by loans, gifts, or otherwise, any member of the du Pont family not included in this proceeding as a party, in the acquisition of capital stock in General Motors, United States Rubber, or any company in which such companies have any financial interest.

15. That the defendant du Pont Company be required to divest itself of its business of making tetraethyl lead, ethyl fluid, ethyl chloride, and be perpetually enjoined from reentering such business.

16. That the defendant General Motors be required to divest itself of all interest in the Ethyl Corporation, but in so doing be enjoined from disposing of such interest as it has to du Pont Company, or any of the other defendants or class defendants *any member of the du Pont family*.

17. That the defendants du Pont Company and General Motors each be required to divest themselves of their respective interests in Kinetic Corporation:

18. That the individual defendants and ~~class defendants~~ *Wilmington Trust Company and the members of the du Pont family named as defendants in Paragraph 9 of the Complaint as amended* be perpetually enjoined from acquiring any stock or other financial interest, either directly or indirectly, through personal holding companies or otherwise, in any of the foregoing enterprises which are required to be divested by any of the defendants, and that [fol. 355] ~~they further be enjoined from aiding any other member of the du Pont family by loans, gifts, or otherwise, to acquire any stock or other financial interest in any of such enterprises.~~

19. That defendants General Motors and United States Rubber each be enjoined from allowing any person to be a member of its Board of Directors, who, at any time during the period from January 1, 1915 to the date of the entry of the final judgment in this cause, was a director, officer, or an employee of du Pont Company:

20. That General Motors, United States Rubber, and du Pont Company each be enjoined from permitting any person, who during the period from 1915 to the date of the entry of the final judgment in this cause was or had been an officer, director, or an employee of any one of the others of such defendant companies, from serving as an officer or director of the company subject to the injunction.

21. That du Pont Company, General Motors, and United States Rubber, their subsidiaries, successors, and assigns each be perpetually enjoined from acquiring or holding



capital stock in any one of the others, or in any company in which such other defendant has a stock or financial interest.

22. That each and every contract between du Pont, General Motors, United States Rubber, or any of them, relating to the sale of goods, the grant of licenses or agreements to license under patents or applications for patents, or agreements providing for the exchange of know-how and information, be canceled.

23. That the plaintiff have such further, general, and different relief as the nature of the case may require and the Court may deem proper in the premises.

[fol. 356] 24. That the plaintiff have the costs of this suit.

Melville C. Williams,

Willis L. Hotchkiss,

*Special Assistants to the Attorney General.*

Tom C. Clark,

*Attorney General.*

Herbert A. Bergson,

*Assistant Attorney General.*

Holmes Baldridge,

James A. Browning,

*Special Assistants to the Attorney General.*

Otto Kerner, Jr.,

*United States Attorney.*

E. Houston Harsha, Ewart Harris, Paul V. Ford, Dorothy M. Hunt, Charles W. Houchins, Francis C. Hoyt, Walter A. Bolinger, Robert L. Eisen, Raymond P. Hernacki, Attorneys for the United States.

James P. McGranery, Attorney General, Newell A. Clapp, Acting Assistant Attorney General, Victor H. Kramer, Trial Attorney, Otto Kerner, Jr., United States Attorney.

[fol. 357]

## APPENDIX A

Wilmington Trust Company, Trustee under Agreement dated January 30, 1920 for Sophie du Pont May, Margaretta du Pont Greenewalt, Constance du Pont Darden, Eleanor du Pont Rust, Mariana du Pont Silliman, Lucile du Pont Flint and Octavia du Pont Bredin (Trust No. 1114).

Wilmington Trust Company, Trustee under Agreement dated December 27, 1933 for Edward B. du Pont (Trust No. 2031).

Wilmington Trust Company, Trustee under Agreement dated December 26, 1933 for Henry B. du Pont, III (Trust No. 2032).

Wilmington Trust Company, Trustee under Agreement dated December 23, 1933 for Margaret du Pont Smith (Trust No. 2033).

Wilmington Trust Company, Trustee under Agreement dated December 15, 1934 for David Flett du Pont (Trust No. 2085).

Wilmington Trust Company, Trustee under Agreement dated December 15, 1934 for Willis H. du Pont (Trust No. 2086).

Wilmington Trust Company, Trustee under Agreement dated December 22, 1934 for Reynolds du Pont (Trust No. 2098).

Wilmington Trust Company, Trustee under Agreement dated December 22, 1934 for David Flett du Pont (Trust No. 2099).

Wilmington Trust Company, Trustee under Agreement dated August 21, 1935 for George P. Edmonds, Jr. and Andrew W. Edmonds (Trust No. 2243).

Wilmington Trust Company, Trustee under Agreement dated February 26, 1941 for George P. Edmonds, Jr. (Trust No. 3076).

[fols. 358-359]. Wilmington Trust Company, Trustee under Agreement dated February 26, 1941 for Andrew W. Edmonds (Trust No. 3077).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Natalie du Pont Edmonds (Trust No. 3103).

Wilmington Trust Company, Trustee under Agreement

dated July 18, 1941 for Mary du Pont Faulkner (Trust No. 3104).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Esther du Pont Weir (Trust No. 3105).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Lamot du Pont, Jr. (Trust No. 3106).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Pierre S. du Pont, III (Trust No. 3107).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Edith du Pont Riegel (Trust No. 3108).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Alexandrine du Pont Collier (Trust No. 3109).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Reynolds du Pont (Trust No. 3110).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for David Flett du Pont (Trust No. 3111).

Wilmington Trust Company, Trustee under Agreement dated July 18, 1941 for Willis H. du Pont (Trust No. 3112).

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[fol. 360] IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN  
DIVISION

[Title omitted]

ANSWER OF E. I. DU PONT DE NEMOURS AND COMPANY TO  
AMENDMENT TO COMPLAINT—Filed January 26, 1953

The defendant E. I. du Pont de Nemours and Company (hereinafter referred to as du Pont) by its attorneys answers the amended paragraphs of the Complaint herein as follows:

7. Du Pont admits the averments in this paragraph except that it denies that as used in this Answer the terms



defined in Paragraph 7 have the meanings ascribed to them in the Complaint.

8. Du Pont admits the averments of this paragraph to the extent that such averments define terms used in the Complaint. Du Pont denies that as used in this Answer the terms so defined have the meanings ascribed to them in the Complaint. Except as specifically admitted, du Pont denies the averments in this paragraph.

9. Du Pont admits that each of the persons identified in this paragraph is named as a defendant herein; that Lam-mot du Pont Copeland, Henry Belin du Pont, and Pierre [fol. 361] S. du Pont, III, are Directors of the du Pont Company; and that neither George P. Edmonds nor Col-gate W. Darden, Jr., has at any time been a Director of the du Pont Company. Du Pont is without knowledge or information sufficient to form a belief as to the truth of the averments relating to directorships in other companies, membership in the du Pont family, or ownership of stock in defendant U. S. Rubber. Except as specifically other-wise indicated, du Pont denies the averments in this para-graph.

10. Du Pont admits that the Wilmington Trust Company is named as a defendant herein. Du Pont is without knowl-edge or information sufficient to form a belief as to the truth of the averments relating to stock held by defendant Wilmington Trust Company either in its own name or sub-ject to trust arrangements. Except as specifically other-wise indicated, du Pont denies the averments in this para-graph.

11. Du Pont admits that each of the persons identified in this paragraph is named as a defendant herein as a party in interest but not a conspirator. Du Pont is, with-out knowledge or information sufficient to form a belief as to the truth of the averments relating to property owned beneficially by the defendants named in this paragraph. Except as specifically otherwise indicated, du Pont denies the averments in this paragraph.

30. Du Pont denies the averments in this paragraph.

32-35. In answer to these amended paragraphs of the Complaint, du Pont refers to, adopts, re-alleges and in-corporates herein by reference Paragraphs 32-35 of its original Answer.

[fols. 362-363] 36. Du Pont admits and avers that as of December 31, 1949, Christiana held 12,199,200 shares (or 27.2 per cent) and Delaware held 1,217,920 shares (or 2.7 per cent) of the outstanding shares (44,833,628) of the common stock of du Pont. Except as to the averments specifically admitted, du Pont denies the averments in this paragraph.

55. In answer to this amended paragraph of the Complaint, du Pont refers to, adopts, re-alleges and incorporates herein by reference Paragraph 55 of its original Answer:

116-121. In answer to these amended paragraphs of the Complaint, du Pont refers to, adopts, re-alleges and incorporates herein by reference Paragraphs 116-121 of its original Answer.

134. In answer to this amended paragraph of the Complaint, du Pont refers to, adopts, re-alleges and incorporates herein by reference Paragraph 134 of its original Answer.

#### Prayer

Wherefore, du Pont denies that the plaintiff is entitled to the relief prayed for in the Complaint or any part thereof or to any other relief against du Pont and prays for judgment dismissing the Complaint.

Hugh B. Cox, Howard Neitzert, Attorneys for E. I. du Pont de Nemours and Company.

Covington & Burling, 701 Union Trust Building, Washington 5, D. C., REpublic 7-5900, Sidley, Austin, Burgess & Smith, 11 South La Salle Street, Chicago 3, Illinois, STate 2-5400.

[fol. 364] IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN  
DIVISION

[Title omitted].

ANSWER OF DEFENDANTS CHRISTIANA SECURITIES COMPANY,  
DELAWARE REALTY AND INVESTMENT COMPANY, PIERRE S.  
AND IRENEE DU PONT TO AMEND PARAGRAPHS OF COMPLAINT.  
Filed January 26, 1953.

Defendants Christiana Securities Company, Delaware Realty and Investment Company (described in the complaint as Delaware Realty and Investment Corporation), Pierre S. du Pont and Irene du Pont, by their attorneys, answer the amended paragraphs of the complaint herein as follows:

7, 8(a) and 8(b). Defendants are advised that it is unnecessary to answer paragraphs 7, 8(a) and 8(b) of the complaint.

9. Defendants deny the allegations contained in paragraph 9 of the complaint except that they admit that the persons therein referred to are named as defendants, that their addresses are as set forth in said paragraph, that each is a member of the du Pont family as defined in paragraph 7 of the complaint, and that each now is or has been a director of one or more of the defendant corporations; [fol. 365] and except that they allege that they are without knowledge or information sufficient to form a belief as to how much, if any, voting stock each holds in the defendant U. S. Rubber.

10. Defendants allege that they are without knowledge or information sufficient to form a belief as to the allegations of paragraph 10 of the complaint except that they admit that Wilmington Trust Company is named a defendant herein; that they deny that they, or upon information and belief Wilmington Trust Company, participated in any combination or conspiracy as therein alleged; and except that defendants Pierre S. du Pont, Irene du Pont and Christiana each admits that he or it holds voting stock in Wilmington Trust Company.

11. Defendants allege that they are without knowledge or information sufficient to form a belief as to the allega-



tions contained in paragraph 11 of the complaint except that they admit that the individuals therein listed are named as defendants and except that they deny that they, or upon information and belief Wilmington Trust Company, have ever participated in any combination or conspiracy as therein alleged; and except that the defendant Irene du Pont admits that Irene Sophie du Pont May, Margaretta du Pont Greenewalt, Constance du Pont Darden, Eleanor du Pont Rust, Mariana du Pont Silliman, Octavia Mary du Pont Bredin and Lucile du Pont Flint are each beneficiaries of a trust of which defendant Wilmington is trustee and the assets of which include voting stock of defendant U. S. Rubber.

30. Defendants deny the allegations contained in paragraph 30 of the complaint.

[fols. 366-367] 32-36, 55, 116-118. Defendants refer to and incorporate by reference herein the denials and affirmations contained in paragraphs 32-36 inclusive, 55 and 116-118 inclusive of its original answer.

119. Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 119 of the complaint, except that they admit that the beneficial ownership of U. S. Rubber common stock by Pierre S. du Pont, Lamont du Pont and Irene du Pont aggregated 68,816 shares as of April 26, 1950.

120-121, 134. Defendants refer to and incorporate by reference herein the denials and affirmations contained in paragraphs 120-121 inclusive and 134 of its original answer.

Wherefore, defendants deny that the plaintiff is entitled to the relief requested in the complaint or to any other relief, and pray that the complaint be dismissed.

Howard Neitzert, John M. Harlan, Philip C. Scott,  
Attorneys for Defendants, Christiana Securities  
Company, Delaware Realty and Investment Com-  
pany, Pierre S. du Pont and Irene du Pont.

Sidley, Austin, Burgess & Smith, 11 South LaSalle  
Street, Chicago 3, Illinois, STate 2-5400, Root, Ballantine,  
Harlan, Bushby & Palmer, 31 Nassau Street, New York 5,  
N. Y., REctor 2-7000.

[fols. 368-369] UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

[Title omitted]

ORDER RE ANSWER OF GENERAL MOTORS CORPORATION—  
January 28, 1953

On motion of General Motors Corporation, one of the defendants in the above entitled cause, it is hereby ordered that the answer of said defendant heretofore filed herein on April 16, 1951, may stand as its answer to the amended complaint of the plaintiff herein.

Enter: Walter J. La Buy, Judge.

Dated: January 28, 1953.

[fol. 370] UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

[Title omitted]

ORDER DISMISSING COMPLAINT, WITHOUT PREJUDICE, AS TO  
CERTAIN DEFENDANTS—February 16, 1953

This matter coming on to be heard on the motion of plaintiff, made on January 5, 1953, to dismiss without prejudice the complaint, pursuant to Rule 21 and Rule 41(a)(2) of the Federal Rules of Civil Procedure, as to the following named defendants:

Irene du Pont, Ernest Nugent May, Ernest Nugent May, Jr., Irene du Pont May, Crawford Hallock Greenewalt, Nancy Greenewalt Frederick, David Greenewalt, Colgate Whitehead Darden, III, John Bruce Bredin, Robert Barnett Flint, Herbert Kimball Faulkner, Katharine Lewars du Pont, S. Hallock du Pont, Virginia Simmons du Pont, Eve du Pont Remer, Paulina du Pont Dean, Junius Simpson Dean, Wilhelmina du Pont Ross, Donald Peabody Ross, Margaretta du Pont Carpenter, Louisa Carpenter Jenney, Irene Carpenter Kitchell Morgan, Renee Kitchell Lickle,

Robert Ruliph Morgan Carpenter, Jr., William Kemble Carpenter, Hugh Rodney Sharp, Hugh Rodney Sharp, Jr., Bayard Sharp, Henry Harper Silliman, Pamela Cunningham Copeland, Mary Belin Laird Downs, William Winder Laird, Jr., Alletta Laird Downs, Wilhelmina Laird Craven, Rosa Laird Hayward.

[fols. 371-373] And the matter further coming on to be heard on the motion of plaintiff, made on January 16, 1953, to dismiss without prejudice the complaint as to Irene du Pont, Jr., pursuant to Rule 21 and Rule 41(a)(2) of the Federal Rules of Civil Procedure;

And the Court having considered said motions and read the briefs of the parties relating thereto, and being fully advised in the premises,

It is hereby ordered and adjudged:

That the motions of plaintiff to dismiss without prejudice the above named defendants be and they hereby are sustained.

Enter: Walter J. LaBuy, United States District Judge.

Date: February 16, 1953.

[fol. 374] IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN  
DIVISION

[Title omitted]

POST TRIAL STIPULATION—Filed August 7, 1953

In order to provide for certain post-trial details it is hereby stipulated by and between the attorneys for the plaintiff and the attorneys for the defendants E. I. du Pont de Nemours & Company, General Motors Corporation, United States Rubber Company, Christiana Securities Company, Delaware Realty & Investment Corporation, Wilmington Trust Company, Pierre S. du Pont, Irene du Pont, Lamont du Pont Copeland, Colgate W. Darden, Jr., Henry Belin du Pont, George P. Edmonds, and Pierre S.



du Pont, III, and for the beneficiary defendants named in Paragraph 11 of the Amended Complaint that:

{fol. 375} 1. The provisions of the pre-trial order entered herein on January 5, 1953, shall have no further force and effect, with the exception of the provisions contained in paragraphs 5, A, (1), (2), (4), (5) and (7); 5, B; 5, C; 7; 9; 12; and 14, which shall remain in full force and effect.

2. Subject to the corrections set forth in Appendix A to this stipulation, the version of the transcript of the proceedings which is to be taken as the official and authentic transcript, for the purposes both of the trial and of any appeal which may be taken, shall be the version finally printed by Twentieth Century Press, Inc., 40 South Clinton Street, Chicago, Illinois, following receipt by Twentieth Century Press, Inc., of the corrected galley proof which it has been the custom of counsel for plaintiff and defendants to send to Twentieth Century Press, Inc. :

3. Subject to the exceptions, corrections, and amplifications set forth in Appendix B to this stipulation, each exhibit shall be taken to be identified, for the purposes both of the trial and of any appeal which may be taken, by the trial exhibit designation printed or otherwise marked upon the exhibit by the parties in preparation for or during the course of the trial.

4. The list of exhibits the trial exhibit designations of which appear in the column "Received in Evidence" in Appendix C to this stipulation shall be taken, for the purposes both of the trial and of any appeal which may be taken, to be a complete, official, and authentic list of all exhibits received in evidence at the trial.

5. Where the identity of the author or authors of an exhibit is not established by the evidence, the statement of counsel on the record with respect to the identity of such author or authors shall, subject to the exceptions, corrections, or amplifications set forth in Appendix B to this {fol. 376} stipulation, be taken to be correct, for the purposes both of the trial and of any appeal which may be taken.

6. This stipulation and the appendices thereto shall become part of the official and authentic record in the case, for the purposes both of the trial and of any appeal which may be taken.

7. For convenience and uniformity the pages of the transcript shall preferably be referred to in findings and briefs by the printed page numbers alone, without abbreviations such as "Tr" or "R", but the name of the witness may be cited before the page reference and the letters "D" and "X" may be used after the page reference to distinguish between direct and cross-examination. The trial exhibits shall preferably be referred to in findings and briefs by the designating numbers which were assigned to them for the trial, prefaced by the letters "GTX" in the case of Government Trial Exhibits and, for Defendants' Trial Exhibits, by the letters "DP", "GM" or "USR", as the case may be.

8. The Case Hardening Survey—Chicago Office Territory, dated September 16, 1937 from which certain figures as to estimated annual requirements in Defendants' Trial Exhibit No. DP 362 were selected and from which certain statements were referred to on pages 5071-5075 of the transcript, shall be received in evidence as Government Trial Exhibit No. 1408.

9. The following exhibits are to be considered to have been formally placed in evidence at the time they were referred to: GTX 1315-1318, 1334, 1339, 1408; DP, 210; USR 58.

10. That portion of the 1917 Report of the du Pont Company to its stockholders which was read into the record at printed page 2245 of the transcript shall be considered to have been placed in evidence as GTX 1409.

[fol. 377] E. Houston Harsha, Attorney for the United States. Howard Neitzert, Attorney for defendants E. I. du Pont de Nemours and Co., Christiana Securities Company, Delaware Realty & Investment Corporation, Pierre S. du Pont and Irence du Pont. Ferris E. Hurd, T. C. S. per, Attorney for defendant General Motors Corporation. John T. Chadwell, Attorney for defendant United States Rubber Company. Mark H. Clayton, per C. T. Pravgley, Attorney for individual adult defendants (except Pierre S. du Pont, Irence du Pont and Henry Belin du Pont, III). Guy A. Gladson, Attorney for defendant Wilmington Trust Company. Andrew J. Dallstream, At-

[fols. 378-417] torney for minor defendants of Irene du Pont family. Andrew J. Dallstream, by Frederic W. Stafford and A. L. Hodson, Howard Ellis, Attorneys for minor defendants of Lammot du Pont family. Howard Ellis, A. L. Hodson, Claude A. Roth, Attorney for defendant Henry Belin du Pont, III, and for Edward Bradford du Pont, minor defendant. Claude A. Roth.

[fol. 418] IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN  
DIVISION

Civil Action 49 C 1071

UNITED STATES OF AMERICA, Plaintiff,

vs.

E. I. DU PONT DE NEMOURS AND COMPANY, et al., Defendants

MEMORANDUM OPINION REGARDING ADMISSABILITY OF  
CERTAIN DOCUMENTS—November 16, 1954

There are forty-five exhibits which have been submitted at the close of the trial and offered in evidence subject to further ruling. Thirty-nine are government exhibits offered as rebuttal evidence and six are defense exhibits offered in surrebuttal.

The major portion of the thirty-nine exhibits offered by the government are directed to trade data. Eleven are statistical charts showing the ultimate percentage of business transacted between General Motors and du Pont and its competitors. To meet the evidence in these exhibits, the defendants have offered six surrebuttal exhibits which are also statistical charts. Twelve government exhibits consist of excerpts from Annual Competitive Reports made by the du Pont Fabrics and Finishes Department to the du Pont Executive Committee regarding trade in these [fol. 419] products and the factors affecting increases or decreases in sales each year. The balance of the government's exhibits consist of various letters or reports written in different years relating to a variety of subjects.



Defendants' principal objections to the government's exhibits are fourfold and are asserted either separately or in combination. These objections are (1) the offered exhibits are not proper rebuttal evidence and were properly a part of the main case; (2) some of them seek to impeach testimony of certain witnesses without having laid a proper foundation for such purpose; and further to allow these exhibits introduced at the close of the trial would be prejudicial to the defendants because the witnesses have been foreclosed the opportunity of being confronted with the alleged impeaching documents; (3) some of the exhibits are inadmissible as being hearsay evidence, and (4) the statistical exhibits are inaccurate and misleading.

The principal objection to the bulk of these exhibits is that they were properly a part of the government's case in chief and pursuant to rules governing orderly presentation of evidence should have been so submitted and not reserved until rebuttal. This is one of the criteria followed [fol. 420] by this court in its ruling with respect to the government's motion for discovery made near the close of the trial. In its memorandum this court recognized that the customary order of presenting evidence was not immutable and was subject to the permeating objectives of litigation to give opportunity for full disclosure of all facts in order to render a just determination. To this end, discretion reposes in the court to admit or reject evidence proffered out of context mindful that no prejudice should be suffered by the one against whom the evidence is offered. Furthermore, in anti-trust cases, if full effect is to be given the anti-trust laws, it is necessary to develop fully the background of facts out of which the alleged conspiracy arose and in which it operated, and that broad discretion and great latitude toward the reception of evidence should be exercised.

In ruling on these exhibits the court considers them in their numerical order.

GTX 199

In 1941 W. S. Carpenter, President of du Pont, wrote to Donaldson Brown at General Motors regarding certain proposed changes in the organization of General Motors [fol. 421] which were being considered by the Policy Com-

mittee expressing concern regarding the shortcomings of moving able personnel, specifically a Mr. Bradley, from the financial department to the operations department without providing for equal caliber to fill the vacancy. Mr. Brown replied to Carpenter, which letter has been objected to by the defendants.

In this letter Brown seeks to explain a presumed misconception of Carpenter and Lammot du Pont as "to the strength of personnel in the Finance Department of General Motors" saying:

"In the first place I think you and Lammot have gained somewhat of a false impression for a too-liberal reading of the organization chart as it has pictured the financial department. My name has appeared in blocks representing Financial Department and also representing the group of activities embracing GMAC, GEIC, and MIC giving to you the impression that I was to be regarded as in administrative charge of these branches. Such has not been the case, and the new chart that is being prepared will be corrected and thereby remove any possible misinterpretation in this respect. \* \* \*

"Now, as to the central organization of General Motors, as it may be concerned with the financial aspects, there is no weakness existing as I can see it. The application of Mr. Bradley's knowledge and feel of the financial aspects is not lost. In fact it is enhanced by the new duties he has assumed. The financial department remains separate, organizational-wise from operations and is responsible to the Policy side of management. Effort will continue in training of men [fol. 422] in the attainment of experience and skill in dealing with financial aspects and bringing in operating executives to greater consciousness of financial considerations and of the essential principle of coordinated control. \* \* \*

The basis of the defendant's objection to this exhibit is that it is not proper rebuttal evidence and that at one time plaintiff proposed to offer it as a part of its case in chief. The government maintains it is proper rebuttal of "new subordinate evidential facts" offered by the defense—that

defendants introduced organizational charts GM 2-6, inclusive, designed to show that although du Pont representation may dominate the financial affairs of General Motors, there was a sharp separation of finances from operations.

The court is of the opinion this exhibit is proper rebuttal evidence. The objection of the defendants is overruled and the exhibit is received in evidence.

### GTX 230

This is a letter written by Sloan on November 28, 1947 to Donaldson Brown concerning General Motors directors. Sloan at the time of this writing was Chairman of the Board and Brown was a member of the General Motors Board, a director of the du Pont Company, a member of the Financial Policy Committee of General Motors, and [fol. 423] also a member of the Finance Committee of the du Pont Company. A copy of this letter was sent to W. S. Carpenter, who was also a member of the General Motors Financial Policy Committee, a director of General Motors and du Pont, a member of the Finance and Executive Committees of the du Pont Company and its then President.

The significant part of the letter from the government's point of view is the last paragraph:

"I might add to this, that I think the proper group—to the extent that there is a group—to discuss candidates ought to be the members of the Financial Policy Committee. I do not think it is an operating matter, in any sense of the word. By all this I mean, that the recommendations of the Financial Policy Committee, not as a Committee, but as individuals, should determine the recommendations to the Board because I am sure we would feel that the Board should have a voice in determining who is to be added to its membership, aside from the fact that its favorable action is necessary."

The government states it is offered as rebuttal to the testimony of Sloan concerning the manner of the nomination of men to membership of the General Motors Board of Directors; that Sloan's testimony that he discussed such directors with the General Motors Board raised the subordinate



factual issue that the advice and guidance of the du Pont representatives on the matter of directors was not sought out and followed any more than any other directors. [fol. 424] (Sloan 2486-7, 2496). It is asserted that financial responsibility for General Motors being regarded as within the acknowledged sphere of the du Pont perimeter, this exhibit shows that Mr. Sloan regarded the Financial Policy Committee as the important body to determine candidacy of Board members of General Motors—ergo, the du Pont members on that committee determined the recommendations to the Board.

Objection has been made by the defendants to the receipt of this letter into evidence for the reasons (1) it is not proper rebuttal evidence and should have been introduced as part of the case in chief since the issue of du Pont influence on directors of General Motors was in the case from the beginning (Amd. Comp. par. 51, Ans. par. 51), and (2) it is not proper for impeaching Sloan's testimony since no proper foundation has been laid and furthermore it was not introduced until the end of the trial when Sloan was no longer available as a witness to be questioned regarding the letter.

The Court is of the opinion that this exhibit was properly a part of the Government's main case and should have been offered earlier. To admit it in evidence at the end of the trial, when the writer was no longer available to testify concerning its contents, would be prejudicial to the [fol. 425] rights of the defendants. Therefore the objections of the defendants are sustained.

#### GTX 237, GTX 238

These two exhibits are not covered in the government's brief relating to admissibility. Both of these letters were written during July 1923 when the General Motors bonus plan was still in the proposed stage.

In GTX 237 Donaldson Brown, Vice-President of General Motors, wrote to W. S. Carpenter, President of the du Pont Company, who had expressed objection to the contemplated plan on the ground of its "rigidity", stating that he saw this feature as "advantageous provided the plan is administered in the way we have in mind". Brown's

objection to Carpenter's suggestions from a tax point of view were that the sale of du Pont's General Motors stock to recipients of bonus awards whose ability to pay therefor would be largely contingent upon further enjoyment of bonuses would put the du Pont Company in an "awkward position in view of the fact, that by reason of its representation on the Finance Committee of General Motors Corporation, it would be in a position to largely control the award of bonuses." GTX 238 is Carpenter's reply to Brown and discusses the proposed plan further in line with his objections.

[fol. 426] Defendants' objections are that these documents are irrelevant and in any event should have been introduced as a part of the case in chief. While these exhibits could properly have been introduced as part of the main case, the court is of the opinion no prejudice results in their introduction as rebuttal material. The objections of the defendants are overruled and the exhibits are received in evidence.

#### GTX 458

Sloan testified that he invited Pierre du Pont to attend the first meeting of the General Purchasing Committee "simply to give it a little atmosphere" and that neither Pierre du Pont nor Raskob had anything to do with the committee whatsoever and were not concerned with operations. (2548) To rebut this evidence, the Government has offered a memorandum of August 6, 1923 from Sloan directed to Pierre du Pont, John Raskob, C. S. Mott, and Fred J. Fisher reporting on a decision reached at a meeting of the committee wherein he stated that as the result of action by the Operations Committee he had issued instructions that divisions purchasing agents would not be permitted to buy outside of General Motors purchasing committee contracts; that because this was the first time, as a matter of policy, that he had taken away any divisional prerogative, he wanted the Executive Committee to [fol. 427] know and understand the reasons.

Defendants have objected to this exhibit on the ground that it is offered to impeach Sloan's testimony, and that it is not rebuttal evidence. These objections are overruled and the exhibit is received in evidence.

## GTX 483-6

These four exhibits represent an exchange of correspondence between John Pratt, Vice-President of General Motors and Gordon Lefebvre, General Manager of General Motors of Canada, and a similar exchange between Pratt and William Coyne of du Pont. Pratt discusses with Lefebvre the switch by General Motors from du Pont to U. S. Industrial Alcohol Company for its thinner requirements in 1927 stating that it had been found necessary as a disciplinary measure to place some of their thinner business with U. S. Industrial Alcohol to bring down the price of Duco and thinner. Pratt wrote to Coyne concerning the problem that du Pont never voluntarily reduced its prices to General Motors on products and had done so only after outside competition had been brought in.

The government states that defendants introduced DP 224 to show that when General Motors failed to renew its six-month contract with U. S. Industrial Alcohol for thinner and purchased it from du Pont, it was because their [fol. 428] price was lower than that of its competitor. To rebut the implication of this evidence that du Pont lost the business for six months and therefore did not occupy a preferential supplier status with General Motors, the government has introduced the aforesaid exhibits. The only objection to these exhibits is that the government had already presented some of its evidence on industrial alcohol during its case in chief—GTX 467-9—and should have introduced these as well.

The objection of the defendants is overruled and these exhibits are received in evidence.

## GTX 1347

Sloan testified that du Pont "had nothing to do except to authorize the General Managers Securities Company to sell to the Managers Securities Company a thirty per cent interest in General Managers Securities Company". (2892) He further stated that "on the face of that, it was an impossibility" for the plan to have the effect of inducing General Motors Executives to respond readily to the influences of the du Pont Company. (2906). To show it was not an impossibility and to rebut this assertion, the government has introduced GTX-1347 to demonstrate "how the



General Motors incentive plans have operated to do just what was intended—to place General Motors executives under pressure from the large stockholder, the du Pont [fol. 429] Company.”

The exhibit is a memorandum, dated December 5, 1944, from W. S. Carpenter, then a member of the General Motors Policy Committee, a director in General Motors and President of du Pont, to Lammot du Pont, ~~also a member of the Policy Committee, director of General Motors, and Chairman of the Board of the du Pont Company,~~ dealing with two topics: (1) the bonus plan, and (2) advisability of asking a Mr. McLucas to join the General Motors Board. The memorandum refers to George Whitney’s conversation with Carpenter about Charles Wilson’s comments on the bonus plan. It states:

“George felt that Wilson’s analysis was not a sound one, which by the way I think we might discuss when opportunity affords, but what worried Whitney particularly was the thought he sensed some bitterness on Wilson’s part on the relationship of management to stockholding interests. He suggested that I might explore the matter somewhat further with Wilson.

“I am not sure that this impression is a correct one, though Whitney did talk with Wilson at greater length after lunch. As we all know, Wilson is very earnest and very insistent and intent in trying to get over his viewpoint and may sometimes use certain arguments which appear to be somewhat overdrawn. But if there is anything in George Whitney’s viewpoint it certainly would be desirable to endeavor to arrest such a feeling before it proceeds too far.”

[fol. 430] “My reason for bothering you about this matter at this time is that Wilson is making a talk at your meetings over there and you may have an opportunity of discussing this subject with him.”

The letter then continues with respect to the advisability of the appointment of McLucas to the Board,—

“Wilson seeming rather anxious to do the thing promptly.”

Carpenter stated he felt McLucas

"is in a large measure unqualified because of his present age, though that handicap is somewhat offset by his already considerable familiarity with General Motors. On the other hand, McLucas' handling of the recent Bank of Detroit stock matter has not particularly impressed me with his fitness for the job. \* \* \*"

Defendants assert that Carpenter, Sloan and Wilson all testified and could have explained what Wilson had intended in reference to the bonus plan; that in fact Wilson "was not referring to the du Ponts but was disturbed over the current tax situation which did not permit management to increase its stock holdings and thus participate in the earnings being produced by management to an extent comparable with the benefits enjoyed by the stockholders"; that this explanation is not in the record because the defendants were "tricked into assuming GTX 1347 was not a part of the government's case since it had not been used in the main case." The same assertion is made regarding [fol. 431] the text discussing McLucas; that it was his age that kept him off and that Sloan and management were in agreement on this.

The evidence the government introduced in its case in chief relating to the promulgation, discussion of the plan, the recipients of the awards, the features attendant on partial liquidation of Managers Securities, the minutes of certain meetings of General Managers Securities Company and the du Pont Company holding the du Pont General Motors stock, were all directed to show that du Pont participated in the plan adopted by General Motors. The issue of "responsiveness on the part of General Motors executives to du Pont wishes" was a part of the allegations contained in pars. 53, 54 and 55 of the Amended Complaint. The court is of the opinion that the objection to this exhibit is well-taken particularly as it refers to the bonus plan; that opportunity to explain should have been allowed and to admit this exhibit into evidence without such an opportunity would be prejudicial to the defendants. The objections of the defendants are sustained.

## GTX 1348

Lammot du Pont, Chairman of the Board of du Pont, [fol. 432] who had been a member of the Executive Committee of General Motors from 1930-1934, resigned as a member of that Committee. In connection with his resignation, Sloan wrote to Lammot du Pont inquiring whether he would like to have Carpenter elected in his place. This exhibit reads as follows:

"We were discussing this afternoon the constitution of the Executive Committee and, naturally, the subject came up of your desire to withdraw from the activities of that Committee. \* \* \*

"The purpose of this letter is to ask whether it would be your pleasure for us to extend the invitation to Walter. Everybody thinks very highly of Walter's judgment; he has always been interested in our problems, and we would like very much to have him join the Committee and continue the relationship just as you have, if that should appeal to Walter and yourself.

"I recognize that the principle you have in mind would apply to Walter just as much as it does to yourself, and that is the reason why I haven't advanced it before, but in the hopes of trying to accomplish something in the direction we all think is desirable, I am advancing it at this time specifically. If this should be acceptable to Walter and yourself, there is no reason why it should interfere with the presentations we are arranging to make to such group in Wilmington as you may wish to get together from time to time to deal with them."

The letter has been objected to by the defendants on the ground of the impeachment and non-rebuttal character of the exhibit. The government contends that it is proper [fol. 433] rebuttal evidence since in assembling personnel for management responsibility existing in the Executive Committee, Sloan testified that management directors were always nominated by him "when they achieved in the management hierarchy of the corporation a position which entitled or required that they be on one of the committees of the Board." In addition, the defense have introduced



GM 15-16 to show that Sloan's activities as a director of the du Pont Company was limited to the attendance of very few du Pont Board meetings.

The Government asserts GTX 1348 was introduced to rebut the inference that Sloan selected members of the Executive Committee free from du Pont influence and that he could not be cognizant of du Pont desires as to General Motors because of his inactivity on the du Pont Board; that this exhibit establishes there existed a prevalence of "informal" meetings between Sloan and the top echelon executives of the du Pont Company.

The court is of the opinion the exhibit should be allowed as rebuttal evidence. The objections of the defendants are overruled and the exhibit is received in evidence.

[fol. 434]

GTX 1367, 1368

GTX 1367 is a report of the du Pont Cellulose Department of May 15, 1922 and GTX 1368 is a report of the du Pont Paint, Lacquer and Chemicals Department of December 23, 1926. These reports were made to the Executive Committee of du Pont. They are offered by the government to rebut the testimony of A. E. Brown that du Pont's only concern in the fabrics field was with reference to color matching which caused loss of accounts (4558) and Irene du Pont's denial of any knowledge of competitors selling below cost in an effort to compete with du Pont. (2318). These two exhibits refer to a fabric competitor selling his product below cost. GTX 303 introduced by the government in its case in chief refers to a competitor indulging in such a practice.

The objection of defendants is that these documents are not rebuttal evidence.

These two additional exhibits are cumulative to evidence introduced in the case in chief. The court is of the opinion that the defendants will not be prejudiced by the reception of these exhibits as rebuttal evidence.

The objections of the defendants are overruled and the exhibits are received in evidence.

[fol. 435]

GTX 1375-1386

These twelve exhibits consist of excerpts from annual competitive reports made by the du Pont Fabrics and Fin-

ishes Department to the Executive Committee for the years 1935-1941, 1946-1950. The government states each was obtained pursuant to subpoena in the closing days of the trial when defense witnesses testified as to the existence of these reports. They are offered to rebut the evidence of the defense on trade relations in fabrics and finishes between du Pont and General Motors.

Richard C. Williams, a du Pont employee, testified as to why General Motors did not purchase some of the automobile finishes listed in defense exhibit DP 176 stating he knew of no reason why it was not buying from du Pont except "quality, service and price". (4233). Exhibits GTX 1375, 1376 and 1379 state that loss of General Motors thinner business was due to the adoption by General Motors of a new formula for 1935, and the improvement in the quality of Ducco requiring less thinner for the years 1936 and 1939. Exhibits GTX 1377, 1378, 1380, 1381 and 1382 state that du Pont's decrease or increase in sales to General Motors, as the case may be, was due to General Motors competitive position in the market. For example, GTX 1382 states that in 1946 the strike in the General Motors [fol. 436] plants reduced the competitive position of General Motors and therefore du Pont's sales were also affected. Exhibits GTX 1384, 1385 and 1386 are directed to the same issue; that in 1948 80 per cent of du Pont fabric sales were made to General Motors; in 1949 due to unduly low prices of competitors loss resulted in part of the General Motors fabric business; and in 1950 increased due to General Motors tremendous production.

Exhibits GTX 1376, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385 and 1386 are also directed to show the reasons for the reduction in the supply of fabrics—that is, adoption of the all steel top in automobiles and the reduction and subsequent increase of pyroxylin coated materials due to the introduction of rubber coated fabrics and the final adoption of pyroxylin fabrics as interior trim. The government asserts these are introduced to rebut the testimony of Brown and Nickowitz and defense charts DP 297, 298, 305-6, 307-8, 311-2, directed to show a reduction of fabric sales to General Motors.

Defendants' objections to these exhibits are that they are not rebuttal evidence and seek to impeach the defense

witnesses by showing that their reports are inconsistent with their testimony without the laying of any foundation.

The objections of the defendants are overruled and the [fol. 437] exhibits are received in evidence.

GTX 1395

The government has introduced a copy of a letter represented to be written by William C. Durant. By way of stipulation with the defense, the government has established that this copy was taken from the personal files of Durant, which files are in the custody of his widow. Also, by stipulation, the government has established that one Murphy, personal secretary to Durant during the time of the writing of this letter, has identified the letter from the format and contents thereof, and the initial "W" in the lower left-hand corner as a letter dictated by Durant to his then stenographer, Miss Weiller. It was stipulated that Murphy stated that in the ordinary course of business Miss Weiller took dictation of letters from Durant, typed such letters, retaining copies thereof for filing purposes, and mailed such letters.

The copy of the disputed Durant letter is directed to Irene du Pont, dated March 16, 1921, and reads as follows:

"I notice in the annual report of the E. I. duPont de Nemours & Co., signed by you, which has been given considerable publicity, the following personal reference:

"He desired to resign and sell his interest in the Corporation to liquidate his personal indebtedness [fol. 438] which was very large and pressing."

"There is evidently some mistake and I feel that I should acquaint you with the facts.

"On the evening of November 15th, a personal friend of mine, representing the duPont interests, called at my apartment and informed me that my resignation as President of the General Motors Corporation was desired and would be accepted—the reason given, that I was not in sympathy with the policies of the controlling interests and would not cooperate, I must and do plead guilty to the charge.

"Two days later, when I came to discuss the matter



with Mr. P. S. duPont and Mr. Raskob, I told them (and up to that time they knew nothing of the situation) of the burdens which I had assumed in attempting to correct the mistakes and errors which had been made, for which I was in no way responsible, and **FROM THAT POINT** we started to work out a plan which would relieve me of my embarrassment and which resulted in the duPont Securities Co. taking over my General Motors holdings.

"In our attempt to adjust to the new conditions, I trust nothing will occur to destroy our friendship."

The government states it has introduced this copy for the purpose of rebutting the defense position that Durant took his financial loss and his forced resignation from General Motors in good spirits. In defense exhibit DP 50, a letter written by Pierre du Pont to his brother, Irene du Pont, on November 26, 1920, the circumstances of the purchase of Durant's holdings and resignation are set [fol. 439] forth; and on page 10 thereof reference is made to the fact that these negotiations involving Durant were "all in good spirit." In addition, the government asserts it is offering the document as a statement made by Durant, who until 1920, was the chief officer of one of alleged conspirators in this case—General Motors. The letter is offered to demonstrate that Durant believed and recognized that his elimination from General Motors was the result of improper pressure brought by those who were in a position, as a result of the unfortunate coincidence of Durant's personal financial difficulties, to force his resignation. The ultimate facts as to the circumstances of Durant's elimination from General Motors are asserted to be for the court to determine. Thus, it is not offered to prove the truth of the facts asserted in the letter, but merely to show Durant's belief that the assertions were true.

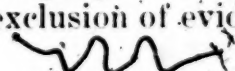
The defendants objections are that the document is hearsay and therefore inadmissible and that the authenticity of the document as being written by Durant was also questionable. Defendants contend that it is a declaration by a stranger to the litigation who is not available for cross-examination, that Durant's belief has no significance except as a foundation for an inference that the conduct be-

lieved to have occurred did in fact occur, and the ultimate [fol. 440] purpose of the evidence is to prove not the belief but the fact of the conduct. It is also asserted that ambiguities in the language of the letter, without cross-examination, establish conclusions which are nothing more than the writer's conclusions and opinions.

The court is of the opinion that the evidentiary requirements have been met for the introduction of this letter as a copy written by Durant and mailed to the addressee.

More disturbing is the objection that the document is a hearsay declaration. Courts will not receive the testimony of a witness as to what some other person told him as evidence of the existence of the facts asserted even though it consists of a statement based on his own knowledge. This rule is applicable to documentary evidence; that is, letters written by a third person under circumstances which do not render them binding on the party against whom they are offered and where offered to prove the truth of the recitals therein. Such documentary evidence is not admissible to show the truth of the recitals therein.

Wherever an utterance is offered to evidence the state of mind which ensued in another person in consequence of the utterance, it is obvious that no assertive or testimonial use is sought to be made of it. The condition of [fol. 441] the speaker's mind, as to knowledge, belief, or the like, may be evidenced by his utterances as assertions or considered circumstantially as affording indirect inferences. Therefore on this principle the hearsay rule interposes no obstacle to the use of letters, or any form of verbal utterances by one person as circumstantial evidence showing a state of mind. Such a declaration, however, is to be received only as circumstantial evidence to show the fact of the utterance indicating the state of mind or intent, but are not to be used to prove the truth or correctness of such statement. Wigmore on Ev., Vol. VI, §§ 1788, 1789, 1790. In addition, rules of evidence relating to admission or exclusion of evidence are intended primarily for the purpose of withdrawing from a jury matter which might improperly sway the verdict and not for the trial judge who is presumed to act only on proper evidence and questions regarding admission or exclusion of evidence are rela-



tively less important in a case tried to the court without a jury. *MacDonnell v. Capital Co.* (C. A. 9, 1942), 130 F. (2d) 311, cert. den. 317 U. S. 692.

For the limited purpose then of showing a belief and state of mind, the court is of the opinion the document may be received. The objections of the defendants are overruled, and the letter is received in evidence.

[fol. 442]

GTX 1396

This exhibit is a report of the du Pont Fabrics and Finishes Department for April 1931, and states on page 3 that Opel, the German automobile subsidiary of General Motors, transferred its pyroxylin-lacquer business from I. G. Farben to du Pont's subsidiary at no price reduction as a result of "pressure from General Motors officials" brought to bear upon Opel. The government asserts that this evidence follows the same pattern causing adoption of Duco a few years earlier by General Motors in the United States. (GTX 377-8; *Irene du Pont* 2367). It is urged that this exhibit is admissible to show intent and also proper to show the propensity of the parties to commit the acts alleged in the present suit.

The defendants aver that General Motors witnesses would have testified whether or not the hearsay surmise was accurate and if it was the reason for the change to Duco by Opel. The court is of the opinion the objection is well taken. The objection of defendants is sustained.

GTX 1404

Mr. Sloan was asked whether du Pont ownership of shares in General Motors "has necessarily affected the relationship between the two companies so that they have [fol. 443] become, as you expressed it in one of your letters, one family?" He replied in the negative. (3208). In addition, he later testified that "all transactions were at arm's length based upon the interests of all stockholders in General Motors and no other considerations entered into it so far as business judgment goes." (3212) Other defense witnesses testified to the same effect.

This exhibit is offered to rebut this testimony. It is a letter, dated September 27, 1930, from F. O. Clements, Technical Director of General Motors Research Labora-



tories to E. K. Bolton, Chemical Director of du Pont, referring to certain developments General Motors had made along lubrication lines, and Mr. Clements stated:

"... I think we can open up to you quite freely.

"We know of no one to whom we would prefer to extend this courtesy, more than your own organization, for we look upon duPonts as sort of grandpa to General Motors."

The defendants state that this exhibit does not refer to any stock investments at all; that the real purpose for which it is offered is to use the letter as proof that General Motors turned over to du Pont developments in the lubricating oil field and offered it as further proof that General Motors turned over its chemical discoveries to du [fol. 444] Pont for development and exploitation. The defendants assert that no opportunity to meet this charge was given in order to show that the lubricating research results were turned over to the oil companies and not to du Pont.

For the limited purpose for which this exhibit is proffered by the government—that is, the relationship between du Pont and General Motors—the court will admit the exhibit. The objections of the defendants are overruled and the exhibit is received in evidence.

#### Statistical Exhibits

GTX 1343A, 1343B, 1344, 1387, 1393, 1394, 1400, 1389-1392  
and 1388

DP 568-573

The court now considers the seventeen charts which have been submitted by the government and the defendants. The purpose underlying their submission is to show the ultimate percentage of business transacted between General Motors and du Pont and its competitors. The charts deal with fabrics, finishes, anti-freeze, adhesives, anodes and chemical solvents.

The accuracy of these respective charts have been challenged and are the primary basis of the respective objections to their admissibility. All of these charts, govern-

[fol. 445] ment and defense, are premised on basic data and figures contained in tables prepared and submitted by General Motors and du Pont in response to grand jury subpoena. As to these basic tables the sole defense objection to their admissibility relates to their character as "rebuttal" evidence. These tables, GTX 1343A and 1344, were prepared by the government from information and figures divulged during the investigation preceding the filing of this action in compliance with grand jury summons.

The admissibility of GTX 1343A, 1343B and 1344 must therefore be determined before proceeding to objections on the respective charts prepared by both parties from them.

GTX 1343A is a table showing dollar volume purchases made by General Motors from suppliers other than du Pont in fabrics and finishes for the years 1946, 1947 and the first half of 1948. GTX 1343B is a list sent to all General Motors Divisions by the Comptroller of General Motors instructing them as to what items should be considered in listing competitive products. GTX 1344 is a table of sales by du Pont by product and dollar volume to General Motors for 1938-1941, 1946-1947.

The government asserts that because of initial difficulties with these tables they were not introduced by the government in its case in chief. These difficulties were: First, it [fol. 446] appeared that identical products could not be extracted from the product listings on the tables so as to subject the sales and purchases for such products to comparative scrutiny; Second, it appeared that no proper determination could be made from GTX 1343A as to whether those companies listed as General Motors suppliers were in truth competitors of du Pont in that they supplied a product similar to one made and sold by du Pont. It is stated that as the trial progressed and as the government learned more about the products involved from the testimony of witnesses and from defense exhibits, the two tables became more intelligible. The court is of the opinion these basic tables should be allowed. The objection of defendants to GTX 1343A, 1343B and 1344 are overruled and they are received in evidence.

With respect to the charts prepared by both parties from these basic tables, the primary objection by these respective parties is directed to accuracy in their preparation.

Percentages may be considered as an additional factor, with myriad other circumstances in the evidence of alleged market control and the fact of control.

The court is of the opinion the charts, compilations and tables should be admitted in evidence and their evidentiary [fols. 447-449] value will be considered where pertinent. The objections of the parties relating to their accuracy are overruled and the exhibits are received in evidence.

Walter J. LaBuy, Judge, U. S. District Court.

November 16, 1954.

[fol. 450] IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN  
DIVISION

Civil Action No. 49 C-1071

UNITED STATES OF AMERICA, Plaintiff,

*vs.*

E. I. DU PONT DE NEMOURS AND COMPANY, GENERAL MOTORS CORPORATION, UNITED STATES RUBBER COMPANY, CHRISTIANA SECURITIES COMPANY, DELAWARE REALTY & INVESTMENT CORPORATION, PIERRE S. DU PONT, LAMMOT DU PONT, IRENEE DU PONT, ET AL., Defendants.

OPINION OF JUDGE WALTER J. LABUY—December 3, 1954

[fol. 451] APPEARANCES:

Stanley N. Barnes, Assistant Attorney General, and Victor H. Kramer, Trial Attorney, both of Washington, D. C.; Earl A. Jinkinson and Willis L. Hotchkiss, Special Assistants to the Attorney General; Ewart Harris, Paul V. Ford, Charles W. Houchins, all of Chicago, Illinois, Margaret H. Brass, Washington, D. C., Dorothy M. Hunt, Francis C. Hoyt, and Raymond P. Hernacki, all of Chicago, Illinois, Trial Attorneys. Attorneys for the United States of America.

Covington & Burling, Washington, D. C., by John Lord O'Brian, Hugh B. Cox, Charles A. Horsky, Daniel M. Gribbon, Wilbur R. Lester.



Sidley, Austin, Burgess & Smith, Chicago, Ill., by Howard Neitzert, George Ragland, Jr., Attorneys for Defendant E. I. du Pont de Nemours and Company.

Root, Ballantine, Harlan, Bushby & Palmer, New York, N. Y., by John M. Harlan, Philip C. Scott.

Sidley, Austin, Burgess & Smith, Chicago, Ill., by Howard Neitzert, George Ragland, Jr., Attorneys for Defendants Pierre S. du Pont, Irene du Pont, Christiana Securities Company and Delaware Realty and Investment Corporation.

[fol. 452] Pope & Ballard, Chicago, Ill., by Ferris E. Hurd, Frank F. Fowle, Jr., Henry M. Hogan, Detroit, Mich., Robert E. Nitschke, Detroit, Mich., James D. Carpenter, Jersey City, N. J., William A. Grier, New York, N. Y., Attorneys for Defendant General Motors Corporation.

Snyder, Chadwell & Fagerburg, Chicago, Ill., by John T. Chadwell, Rudy L. Ruggles, James A. Rahl, Arthur, Dry & Dole, New York, N. Y., by Paul H. Arthur, Morris E. Dry, Nelson F. Taylor, Walter Barthold, Jr., Attorneys for Defendant United States Rubber Company.

Howard Ellis, Chicago, Ill., A. Leslie Hodson, Chicago, Ill., Guardians ad litem for certain minor Defendants.

Andrew J. Dallstream, Chicago, Ill., Guardian ad litem for certain minor Defendants.

Claude A. Roth, Chicago, Ill., Guardian ad litem and Attorney for Henry Belin du Pont, III.

[fol. 453] Moore, Prangley & Clayton, Chicago, Ill., by Mark H. Clayton, Attorney for certain individual Defendants.

Berl, Potter & Anderson, Wilmington, Del., by William S. Potter, William Poole, Attorneys for certain individual Defendants.

Morris, Steel, Nichols & Arsht, Wilmington, Del., by Alexander L. Nichols, Attorney for certain individual Defendants.

Winston, Strawn, Black & Towner, Chicago, Ill., by Guy A. Gladson, Thomas A. Reynolds.

Richards, Layton & Finger, Wilmington, Del., by Robert H. Richards, Jr., Attorneys for Defendant Wilmington Trust Company.

[fol. 454] This action is brought by the United States

Government for alleged violation by defendants of Sections 1 and 2 of the Sherman Act (15 U. S. C. A) declaring illegal every contract, combination, or conspiracy in restraint of trade and prohibiting monopolization or the attempt to monopolize trade and commerce, and Section 7 of the Clayton Act (15 U. S. C. A. § 18) declaring illegal the acquisition of stock by a corporation in another where the effect of such acquisition may be to substantially lessen competition or tend to create a monopoly.

[fol. 455] The defendants against whom the action is brought are named and identified in the amended complaint as follows:

The three defendant "manufacturers": E. I. du Pont de Nemours and Company, General Motors Corporation, and United States Rubber Company. All of these companies transact business within the Northern District of Illinois and are found here.

The three "corporate" defendants: Christiana Securities Company; Delaware Realty & Investment Corporation; and Wilmington Trust Company, individually and as trustee.

The remaining defendants come within the categorical description of "members of the du Pont family." These members of the du Pont family are divided into the following:

The three "defendant individuals": Pierre S. du Pont and Lammot du Pont, for whom Suggestions of Death were filed May 6, 1954 and January 16, 1953, respectively; and Irene du Pont.

The five "individual defendants": Lammot du Pont Copeland; Colgate W. Darden, Jr.; Henry Belin du Pont; Pierre S. du Pont III; and George P. Edmonds. These defendants are alleged to be members of the du Pont family and to hold substantial amounts of voting stock of the defendant United States Rubber Company.

The twenty-six "beneficiary" defendants, ten of whom are minors, also identified as "party in interest" defendants, who are not named as conspirators and who are beneficiaries of one or more trusts of which the defendant Wilmington is trustee.

With the exception of the twenty-six beneficiary defendants, all defendants are alleged to have participated in acts which violate the anti-trust statutes.

[fol. 456] The Government's statement of the offense is stated as follows:

The Amended Complaint charges that the defendants have engaged in a conspiracy to restrain trade in certain products produced by the du Pont Company, United States Rubber, and General Motors, in violation of Section 1 of the Sherman Act, and to monopolize a substantial part of such trade in violation of Section 2 of the Sherman Act. It also alleged that the defendant du Pont Company has acquired a controlling interest in the stock or other share capital of General Motors in violation of Section 7 of the Clayton Act. The Amended Complaint states further that the defendants have done the things which they conspired to do, namely, that they have restrained trade and monopolized a part of the commerce in certain products. (Post-trial Brief, U. S., Vol. I, p. 3.)

In its summary of the statement of evidence the Government states that the evidence, when viewed as a whole, shows that the defendants have designed and followed a pattern of business conduct which has three basic objectives. The first of these objectives has consisted of obtaining control of the management and policies of the three manufacturing defendants, du Pont, General Motors, and United States Rubber. The second of these objectives has consisted of the creation and exploitation of protected markets for certain of the products produced by du Pont and United States Rubber, to the exclusion of competitive suppliers. The third of these objectives has consisted of the reservation of certain exclusive fields of production to the du Pont Company. These three purposes have been served by the fostering of a network of interrelationships among the corporate and individual defendants. This has insured the perpetuation of control of the corporate entities [fol. 457] under persons possessing in essence the same interests, and has enhanced the market position of each of the manufacturing defendants.

The Government further charges that the central thread of the entire pattern of conduct is the acquisition of interlocking stock controls and the use of such controls to domi-



nate the management of the controlled corporations. (Post-trial Brief, U. S., Vol. I, p. 5.)

There is no dispute regarding the facts culminating in the formation of the present du Pont Company. From 1802 to 1899 it was operated as a family partnership. The first corporate predecessor of du Pont was formed in 1899. In 1902 T. Coleman du Pont, Alfred I. du Pont, and Pierre S. du Pont acquired the assets of the 1899 company pursuant to a proposal advanced by Alfred I. du Pont. These assets were later taken over by the 1903 company. Until 1915, T. Coleman du Pont was the largest stockholder in du Pont; his holdings being about equal to the combined holdings of Alfred I. du Pont and Pierre S. du Pont. The present du Pont Company was organized in 1915 to succeed the 1903 company.

The factual approach to the issues involved herein will be clarified and simplified by division of this memorandum into two general categories: First, the aspects of alleged control reflected in stock holdings, selection of officers, board and committee members; and, second, the trade aspects. The issue of conspiracy underlying as it does both phases of the case is of necessity interwoven and inseparable and is an ultimate fact which permeates the entire case.

[fol. 458] Facts as to Control

#### *Christiana and Delaware*

In December 1914 T. Coleman du Pont offered to sell a substantial block of his du Pont stock to du Pont for resale by the company to its principal younger executives, but the offer was rejected since the price was considered too high.

In the early part of 1915 T. Coleman du Pont offered to sell his stock to Pierre S. du Pont and others at a higher price.

It is admitted that in 1915 Christiana was formed by a syndicate composed of Pierre S. du Pont, Lamont du Pont, Irene du Pont, together with A. Felix du Pont, R. R. M. Carpenter, and John J. Raskob, for the purpose of acquiring this stock.

The evidence shows that Christiana was organized so that members of the syndicate could use the stock of the

corporation as security for a loan it was necessary for them to obtain to buy the stock of Coleman du Pont.

This block of stock consisting of 63,314 shares of common and 14,599 shares of preferred was transferred to Christiana along with 28,177 shares of du Pont common transferred to it by the six syndicate members. The six incorporators of Christiana held all of the 75,000 shares of Christiana. The day after Christiana was organized each returned to its treasury approximately 15% of the Christiana stock to be distributed to the chairman of the Executive Committee of du Pont, the eight department heads of du Pont, and the General Counsel of du Pont under an agreement that the stock so assigned to each would become his property if he continued in the employ of the company for one year and that no assignee would sell or hypothecate [fol. 459] the stock for three years. After this allocation, the six incorporators held 68,250 shares of the 75,000 outstanding shares of Christiana.

After Coleman's stock had been acquired, Alfred du Pont and others brought suit alleging that Pierre and his associates abused the trust of their official positions in obtaining the Coleman stock. The trial court determined to submit to a vote of the stockholders the question of whether or not the Coleman du Pont stock should be acquired by the du Pont Company. In the ensuing proxy battle, the Pierre S. du Pont group won.

Thus, Christiana at its inception held 91,491 shares of the du Pont common stock amounting to approximately 27% of the du Pont's outstanding common shares. The evidence shows that commencing with the original acquisition of the Coleman stock, this percentage has continued throughout the years and that substantially all the stock now held by Christiana traces directly to the stock transactions occurring in 1915. No additional or other acquisitions of du Pont stock have been made by Christiana, and the evidence shows that a majority, or 68% of the outstanding Christiana stock has been held continuously by Pierre S. du Pont and the members of the du Pont family, either directly or through Delaware.

In 1923 Pierre S. du Pont, having retired from active business life, decided to invest in an annuity to provide himself and his wife with an appropriate income. His decision to buy an annuity was based in part on the favor-

able tax treatment granted annuities under the existing tax laws. Pierre S. du Pont being unable to find a standard life insurance company which would offer him an arrangement not involving the sale of his stockholdings which event would depreciate the value of his estate, a group of [fol. 460] his brothers and brothers-in-law offered to sell him an annuity.

In 1923 Pierre S. du Pont transferred the bulk of his holdings in Christiana consisting of 49,000 shares, together with 24,000 shares of du Pont common, and other stock in other companies to Delaware Realty & Investment Corporation, which was specifically organized to hold the same and pay him and his wife an annuity for life. The common stock of Delaware was then divided into eight equal shares for Pierre S. du Pont's eight brothers and sisters or their families.

The evidence shows that the stock of Delaware up to the date of the filing of the complaint has continued to be wholly owned by the members of the du Pont family and in many instances transfers were made through the formation of trusts. Delaware also holds 49,000 shares of Christiana, being Pierre S. du Pont's previous holdings, which constitutes about 32% of the outstanding Christiana stock.

On March 29, 1944 E. H. Tinney, Secretary of Delaware, submitted a memorandum to members of the Advisory Committee of Delaware Realty and Trust dealing primarily with tax considerations on the advisability of liquidating that corporation. In addition to the tax factor, he stated:

"Liquidation would afford greater flexibility, including better marketability, and permit diversification. Without liquidation, the stockholders are practically compelled to go along together; whereas if liquidated each stockholder could do as he thought best suited his individual purpose. There is no certainty whether those factors would in the final analysis represent reasons for or against liquidation.

Delaware Realty, at least to some extent, facilitates [fol. 461] control of the du Pont and General Motors industries. While liquidation would not eliminate this immediately, it would weaken it; more particularly with the passage of time." (GTX 1335).



There is no evidence that Tinney knew anything about the relations between du Pont and General Motors and no evidence that he knew anything about the intentions of the individual defendants or other members of the du Pont family or that he was acquainted with their state of mind as it related to Delaware. Pierre S. and Irene du Pont both testified that Delaware was not organized for the purpose of controlling du Pont or General Motors as charged by the Government and that it was not used for that purpose. Similar testimony was given by other individual defendants. Having heard the testimony of these witnesses, the Court finds their testimony more persuasive than the statement of opinion made by Tinney.

Defendants admit that Christiana holds 3,049,800 shares of du Pont common stock out of 11,158,340 outstanding du Pont stock, equivalent to 27%; that Delaware holds 304,480 shares of du Pont common stock, or 3%, of the outstanding du Pont stock; that defendant individuals and certain members of the du Pont family, who are either officers or directors of du Pont, own a further block of approximately 5.3% of the stock of du Pont; while other members of the du Pont family, who are not officers or directors of du Pont, own directly a further 2.2% of the stock of du Pont. Du Pont common stock at the time the complaint was filed was held by 82,000 shareholders.

It is also admitted that 30% of the outstanding du Pont common stock held by Christiana and Delaware has been consistently voted as a block always in support of du Pont management at du Pont stockholder meetings, that [fol. 462] rectors of Christiana have in most instances been directors and officers of du Pont, and that defendant individuals, younger members of the du Pont family and officers and directors of Delaware have assumed major responsibilities in du Pont management.

There is no evidence that either Christiana or Delaware, or both of them, had voting control of du Pont. However, the fact that the du Pont family had voting control of Christiana and Delaware whose du Pont stock is consistently voted as a block in favor of du Pont management, coupled with the fact that for many years members of the du Pont family have been major executives of the corporation, indicates control of management of du Pont by the du Pont family.

The Government has failed to prove that the stock held by the defendant individuals and members of the du Pont family in Christiana and Delaware was for the purpose of perpetuating control over the du Pont Company, and has failed to prove that there was any agreement, understanding, or conspiracy that they would continue to hold such stock, keep it within their families, or dispose of or vote the Delaware stock for the purpose of utilizing du Pont to create protected markets for du Pont, or to otherwise restrain or monopolize trade. The Government has further failed to prove that either Christiana or Delaware, or both, were formed, and their stock held, for the purpose of creating protected markets for du Pont and to otherwise restrain or monopolize trade.

#### *General Motors Corporation*

In the spring of 1914 Pierre S. du Pont purchased approximately 2000 shares of General Motors upon the recommendation of John J. Raskob. His personal holdings from 1914 to 1917 are set forth in GTX 114. Irene du [fol. 463] Pont purchased 400 shares of General Motors in 1914 on the expressed enthusiasm of John J. Raskob, but did not know his brother had done the same. His personal holdings from 1914 to 1917 are set forth in GTX 115. He attended no General Motors meetings during this period.

General Motors was organized in 1908 by W. C. Durant and had acquired a number of previously independent automobile manufacturing companies—Buick, Cadillac, Oakland and Oldsmobile. In 1910 in order to raise needed working capital Durant had been compelled to borrow \$14,000,000 from a group of "Boston" bankers under a voting trust agreement which supplanted Durant as President by Charles W. Nash, and gave control of the Board of Directors for five years to said bankers. Upon leaving the active management of General Motors, Durant and close associates incorporated the Chevrolet Motor Company to manufacture a new low-priced car. The Chevrolet Motor Company bought stock of General Motors until in 1916 it owned 450,000 shares of common stock out of 825,000 outstanding.

About September 1915 Pierre S. du Pont and John J. Raskob became actively involved in the affairs of General Motors when both attended a stockholders meeting at the

invitation of Mr. Kaufman, who was president of the Chatham & Phoenix National Bank of New York. At this meeting, Durant and the lending bankers, who were operating General Motors under the voting trust agreement which expired in 1915, became deadlocked on the composition of a new Board. A compromise was reached whereby both sides agreed that each name seven candidates and Pierre S. du Pont was empowered to name three neutral directors not connected with either Durant or the lending bankers. Pierre S. du Pont submitted the names of J. A. Haskell, who had been a vice-president of du Pont for many years [fol. 464] and now retired; John J. Raskob, Treasurer of du Pont; and Lammot Belin, his brother-in-law. These were accepted by both factions. Pierre S. du Pont was elected Chairman of the Board.

Durant extended an invitation to Pierre S. du Pont and John J. Raskob to become members of the General Motors Finance Committee, which invitation was declined, and in October 1916 both declined chairmanship of that committee. In January 1916 Durant offered Pierre S. du Pont and Raskob the opportunity to exchange their General Motors holdings for Chevrolet Motor stock on the basis of five shares of Chevrolet for one share of General Motors, which offer was declined. Raskob stated "we were not sure he had control of the General Motors Company and being in the position of neutral directors, we might be charged with taking sides should we do anything which would tend to give one side or the other control of the Company." (GTX 119.) After it became clear in May 1916 that Durant, through Chevrolet Motors holdings in General Motors, had obtained control of General Motors, Pierre S. du Pont and Raskob availed themselves of the offer which Durant had held open for them, and as a result Pierre S. du Pont and Raskob became large holders in Chevrolet Motors which controlled General Motors.

In August 1917, Pierre S. du Pont and Raskob accepted Durant's invitation to become members of the General Motors Finance Committee, and Durant suggested that the "Wilmington people, as he called it, take more stock and more interest in the General Motors Corporation." (Pierre S. du Pont 1997) After Pierre S. du Pont and Raskob became members of the Finance Committee both saw a



"good deal" more of Durant and he talked freely to them about operations and finances of General Motors and plans for its future expansion.

[fol. 465] Shortly prior to December 19, 1917, Raskob talked with Pierre S. du Pont with respect to a proposed company investment in General Motors. Raskob prepared a draft report in connection with this proposal which was reviewed and approved by Pierre S. du Pont and discussion was had between them regarding parts of the report. Raskob proposed to Pierre S. du Pont that he take on the promotion of such a plan with the du Pont directors and it was submitted in final form as a Report of the Treasurer to the Finance Committee of du Pont. On December 21, 1917 the Executive and Finance Committees of du Pont approved the acquisition of common stock in General Motors and Chevrolet Company in the amount of \$25,000,000.

General Industries, Inc., all of whose stock was held by du Pont, was formed to acquire the General Motors stock. By March 8, 1918 General Industries, Inc. had purchased approximately 23% of the common stock of General Motors and Chevrolet. During the next two years the investment was increased to approximately \$49,000,000 and in 1920 du Pont owned approximately 23.96% of the outstanding stock of General Motors.

The Raskob report submitted to the Finance and Executive Committees of du Pont in connection with the proposed purchase of General Motors and Chevrolet stock summarized the following points in favor of a substantial investment in the motor industry:

"1. With Mr. Durant we will have joint control of the companies.

2. We are immediately to assume charge and be responsible for the financial operation of the Company. This involves the direction of cash balances which will aggregate upwards of \$25,000,000 and the handling of annual gross receipts aggregating \$350,000,000 to [fol. 466] \$400,000,000. From a financial standpoint, I feel that a consolidation of the financial divisions of the du Pont and General Motors Companies will be of tremendous advantage to us as well as to the General Motors Company and is a thing to be sought and desired from our standpoint.

3. The du Pont Company, if the Class A stock is sold to the stockholders, will share in the profits of the industry to an extent equal to 120% on our investment and will receive 14% in annual dividends thereon; or in the event of carrying Class A stock in our Treasury the dividend rate will be about 12.6% and will share in the earnings about 42% and this after paying \$20,000,000 war taxes.

4. Our purchase is on better than an asset basis.

5. Our interest in the General Motors Company will undoubtedly secure for us the entire Fabrikoid, Pyralin, paint and varnish business of those companies, which is a substantial factor.

### Management

Perhaps it is not made clear that the directorates of the motor companies will be chosen by Du Pont and Durant. Mr. Durant should be continued as President of the Company, Mr. P. S. du Pont will be continued as Chairman of the Board, the Finance Committee will be ours and we will have such representation on the Executive Committee as we desire, and it is the writer's belief that ultimately the Du Pont Company will absolutely control and dominate the whole General Motor's situation with the entire approval of Mr. Durant, who, I think, will eventually place his holdings with us taking his payment therefor in some securities mutually satisfactory. \* \* \* (GTX 124).

[fol. 467] Announcement of the purchase was made in the annual report of du Pont to its stockholders as follows:

"Announcement was recently made of the acquisition of a large interest in the General Motors Corporation and Chevrolet Motor Company. Though this is a new line of activity, it is one of great promise and one that seems to be well suited to the character of our organization. The motor companies are very large customers of our Fabrikoid and Pyralin as well as paints and varnishes." (P. S. du Pont 2245).

Raskob's report, the testimony of Pierre S. and Irene du Pont and all the circumstances leading up to du Pont's

acquisition of this substantial interest in General Motors, as shown by the record, establish that the acquisition was essentially an investment. Its motivation was the profitable employment of a large part of the surplus which du Pont had available and uncommitted to expansion of its own business.

The Government asserts that an agreement was made in 1917 at or about the time of du Pont's investment in General Motors which bound the latter to purchase from du Pont substantially all of its requirements of products of the kind made by du Pont. It also argues that du Pont's investment in General Motors was made with the purpose of using its alleged control of General Motors to require it to buy from du Pont.

The principal basis for both of these contentions appears to be the portion of Raskob's report wherein he stated:

"Our interest in the General Motors Company will undoubtedly secure for us the entire Fabrikoid, Pyralin, paint and varnish business of those companies, which is a substantial factor." (GTX 124)

[fol. 468] The Court has also considered in passing upon these contentions of the Government the testimony of Pierre S. and Irene du Pont and other documents written at the time of or within a few years following the investment.

The Court finds on the basis of all of the evidence of record that no agreement was made in connection with du Pont's investment in General Motors, or subsequent thereto, which bound the latter to buy any portion of its requirements from du Pont. Raskob's report does not describe any such agreement. Pierre S. du Pont was party to the preparation of this report and he testified that he had no knowledge of any such agreement. Irene du Pont similarly testified that he knew of no such agreement. The Court believes it most unlikely that an agreement of the kind alleged by the Government would have been made without the knowledge of these two important officials. On the General Motors side, neither Sloan nor Pratt was ever advised of any such agreement though both occupied positions under Durant in which they would be expected to have known of one had it existed. No document, either contem-



poraneous with the making of the alleged agreement or subsequently executed, makes reference even indirectly to an agreement of the kind alleged by the Government. The Court does not find in the actions over the years of du Pont's executives or salesmen or General Motors purchasing personnel corroboration of the existence of the alleged agreement.

The Court also finds based on all of the evidence of record that du Pont did not invest in General Motors with the purpose of restricting that company's freedom to purchase in accordance with its own best interests. Du Pont, the record shows, never intended to preclude General Motors from dealing with suppliers of its choice, never [fol. 469] made any effort to so preclude General Motors, and did not limit General Motors' purchasing freedom.

Raskob's reports and other documents written at or near the time of the investment show that du Pont's representatives were well aware that General Motors was a large consumer of products of the kind offered by du Pont. Raskob, for one, thought that du Pont would ultimately get all that business, but there is no evidence that Raskob expected to secure General Motors trade by imposing any limitation upon its freedom to buy from suppliers of its choice. Other documents also establish du Pont's continued interest in selling to General Motors—even to the extent of the latter's entire requirements—but they similarly make no suggestion that the desired result was to be achieved by limiting General Motors purchasing freedom. On the contrary, a number of them explicitly recognized that General Motors trade could only be secured on a competitive basis.

At the time of this investment, Pierre S. du Pont, Haskell and Raskob were members of the General Motors Board and after the investment two additional du Pont nominees were elected to that Board. In 1919 the Board was increased to twenty members and the du Pont nominees remained at six.

The Finance Committee consisted of seven members, five of whom were du Pont representatives—Pierre S. du Pont, Irene du Pont, John J. Raskob, Henry F. du Pont, and J. A. Haskell. Mr. Raskob was appointed chairman. It is apparent, and it is admitted, that a majority of this committee were officers and directors of du Pont.

The Executive Committee consisted of ten members, including one du Pont nominee, J. A. Haskell, with Durant as chairman and the other members consisting of management representatives.

[fol. 470] The evidence establishes that following the period of this investment until 1920 du Pont and Durant jointly controlled General Motors and that du Pont, through its affiliation with Durant, assumed the responsibility for the financial operation of General Motors.

During 1918 and 1919 General Motors acquired the assets of the Chevrolet Company, United Motors, which was an amalgamation of a number of accessory companies, the McLaughlin Buick properties in Canada, and a sixty per cent interest in Fisher Body Corporation. This expansion of General Motors had required the raising of new capital.

The Board of Directors of General Motors in 1920, after a previous unsuccessful effort to raise the necessary additional capital by an issue of seven per cent debenture stock, authorized an issuance of approximately 3,200,000 shares of new common stock to the common stockholders at \$20 per share. It was also decided that du Pont and Durant would turn over their stock subscription rights amounting to 1,800,000 shares to Nobel and Canadian Explosives, Ltd., since Durant and du Pont were reluctant to make any further investments. J. P. Morgan & Co. subscribed to 600,000 shares of the new issue and one of its partners was named to the Board, together with representatives of Nobel and Canadian Explosives. The stock acquisitions of Nobel and Canadian Explosives were in large part taken over by du Pont at a later date.

The evidence shows that this new issue was accompanied by the formation of a syndicate managed by J. P. Morgan to buy and sell General Motors stock and subscription rights for the purpose of supporting the value of General Motors stock in the market. During the Fall of 1920, Durant, through individual stock market operations apparently designed to support the market price, had become [fol. 471] indebted in the amount of \$27,000,000 to various banks and brokerage houses for which he had pledged some 2,700,000 shares of General Motors stock. These stock market investments by Durant were disclosed to Pierre S. du Pont and Raskob in November and alarm was felt as to the possible consequences in the event Durant failed

in the market. Du Pont Securities Company was organized to borrow \$20,000,000 and take over Durant's loans, pay his creditors and preserve for him a 40% equity in du Pont Securities stock, which was later exchanged for 230,000 shares of General Motors stock. The new company had seven million dollars in cash and loaned 1,375,000 shares of General Motors stock to borrow the balance needed. Du Pont in 1921 authorized a bond issue in order to finance the transaction.

The net result of the foregoing stock transactions was that du Pont owned, through du Pont Securities, the equivalent of 7,362,540 shares of General Motors stock at a cost of \$75,581,259 and in addition owned directly 200,000 shares acquired at a cost of \$4,000,000; being the equivalent of approximately 38% of General Motors stock outstanding.

In 1923 du Pont sold about 2,250,000 shares of General Motors stock (substantially the amount acquired through the 1920 stock transactions) to Managers Securities, a corporation organized by General Motors for the purpose of providing additional incentive to principal executives of General Motors. Du Pont began to surrender the voting right on this stock in 1930, and from time to time thereafter surrendered such rights as holders of Managers Securities stock surrendered their stock and took down the underlying securities. By 1938 du Pont had surrendered the voting rights on all of this stock. It is admitted that since the release of the voting rights to [fol. 472] such stock, du Pont has for many years owned 10,000,000 shares, or approximately 23% of General Motors common stock, and that the remaining shares in 1947 were held by 436,510 stockholders, 92% of whom owned no more than 100 shares each and 60% owned no more than 25 shares each. In 1950 a two for one split was effected resulting in du Pont holding 20,000,000 out of 88,000,000 shares, which did not change the percentage of du Pont holdings.

At the conclusion of the 1920 events Pierre S. du Pont became president of General Motors. He was urged to accept this position by the du Pont Finance Committee since du Pont had a large investment in General Motors to protect. In addition, the record discloses that he was urged to as-



sume the presidency of General Motors by the bankers, by Sloan, and by others in the management.

Pierre S. du Pont held the presidency of General Motors until May 1923 when Alfred P. Sloan became president.

During Pierre S. du Pont's term of presidency significant and important changes were effected within General Motors. These were:

(1) A plan of reorganization for General Motors providing for substantial autonomy of the operating divisions of General Motors. The evidence shows that Pierre S. du Pont presented to the Board a plan, originated by Sloan during Durant's presidency, to decentralize the General Motors divisions.

(2) Certain changes in management and in the personnel of the Executive Committee were made. Under Durant the ten man Executive Committee consisted of managers of the operating divisions. In 1921 the Executive Committee was reduced to four members. They were Pierre S. du Pont, the President; Haskell and Sloan, heads of the Line and Staff Divisions; and John J. Raskob, Chairman of the [fol. 473] Finance Committee. This four man committee was enlarged to six in 1922 by the addition of Charles Fisher, a General Motors director, and C. S. Mott, also a General Motors man. Durant started a competing automobile company and the question of loyalty on the part of some of the car division managers to Durant was one of the reasons for reconstituting the Executive Committee.

The managers of the operating divisions became an Operating Committee under Haskell. Four out of five car division managers were appointed by Pierre S. du Pont, upon the recommendation of Sloan. Of the four replaced, two resigned and two were replaced as a result of disputes regarding contract rights under employment agreements made during Durant's presidency. The four new managers recommended by Sloan had in each case been with General Motors for years and never had any connection with du Pont. Testimony of witnesses shows that the changes in managers were unrelated to the use of du Pont products.

The Finance Committee of General Motors remained the same except the Durant vacancy was filled by Donaldson Brown, a former du Pont employee who was also a member of du Pont's Finance Committee.

(3) A General Purchasing Committee was created in 1922. This committee was created at the suggestion of Sloan in order to enable General Motors to set up machinery for standardizing items and for coordinating purchases where two or more divisions used a common product. James Lynah, who left employment of du Pont in 1919 under "acrimonious" circumstances, was appointed secretary by Sloan and the committee was composed principally of purchasing agents of the General Motors divisions. It is this committee which in September 1923 with Lynah's recommendation urged the adoption of a rule requiring a second source of supply for leather substitutes and rubber [fol. 474] coated fabrics which were being purchased in large quantities from du Pont. John L. Pratt, who was a du Pont employee from 1905 to 1919 when he resigned and went to work for Durant at General Motors, also became a member of this committee and was its chairman from 1924 to 1929.

(4) In 1918, during the Durant regime, at the suggestion of the du Pont nominees, General Motors initiated a bonus plan to outstanding employees. Before retiring as president, Pierre S. du Pont recommended that another plan be instituted providing for additional compensation to principal executives of General Motors.

Allotment of bonus awards was made by the Chief Executive Officer of General Motors subject to the approval of the Finance Committee. This procedure was followed until 1936 when a Bonus and Salary Committee of the Board replaced that function of the Finance Committee.

In addition to these changes in General Motors, two important discoveries affecting the automotive industry occurred.

In the latter part of 1920 Edmund M. Flaherty, an employee of du Pont, invented and carried to the commercial development stage a quick-drying, durable nitrocellulose lacquer, which was patented and called "Duco".

The other was the discovery of tetraethyl lead. In 1918 General Motors engaged in an extensive investigation into the nature and the causes of "knocking" in engines. In the General Motors laboratories chemical research under the direction of Charles F. Kettering and Thomas Midgely developed that the use of tetraethyl lead blended with gaso-

line in proper proportions constituted an effective anti-knock. It was further revealed that TEL, as it was called, was a scarce and expensive product, production of which [fol. 475] was extremely hazardous. General Motors discovered that TEL could be produced commercially from ethyl bromide. In 1922 General Motors and du Pont entered into an agreement under which du Pont manufactured TEL and it was distributed through a General Motors subsidiary organized to handle its marketing.

The record shows that during the 1920 to 1923 period du Pont had a 38% interest in the stock of General Motors. Three of the six members on the Executive Committee and seven of the eleven members on the Finance Committee were du Pont men. Haskell, former sales manager and vice-president of du Pont, who was willing to undertake the responsibility of keeping du Pont informed of General Motors affairs during Durant's regime, was Vice-President in Charge of the Operations Committee.

The defendants have conceded that "during the period of P. S. du Pont's Chief Executive Officership nominees of du Pont were thrust into positions of responsibility in General Motors which went beyond the financial supervision which had been their earlier role". (D. P. Brief, p. 332).

On April 24, 1923 Pierre S. du Pont informed the Finance Committee of du Pont of his desire to retire as president of General Motors and of his intention to recommend Alfred P. Sloan, Jr., as his successor. Sloan was a vice-president of General Motors and was in charge of the General Advisory Staff. He had been president of Hyatt Roller Bearing Company, one of the companies controlled by United Motors, which had been organized in 1916 by Durant. When General Motors acquired United Motors, Durant appointed Sloan as its president. The Finance Committee of du Pont adopted a resolution acquiescing in Pierre S. du Pont's decision and expressing confidence in Sloan as his successor to the presidency. Thereafter, [fol. 476] Pierre S. du Pont informed the directors of General Motors of his intention to resign and of his recommendation of Sloan for president.

On May 10, 1923 Sloan was elected president of General Motors and also was its Chief Executive Officer from 1937



until 1946. William S. Knudsen was elected president May 3, 1937 and served as such until September 3, 1940. In 1941 Charles E. Wilson was elected President and also became the Chief Executive Officer in 1946. Shortly after Sloan became president he was elected a director of du Pont.

### *Board Members.*

On May 10, 1923 when Sloan became president, the Board consisted of thirty-two directors. The evidence shows that during the period of Sloan's presidency and that of Wilson, the du Pont nominees on the Board never exceeded six. The total number of members of the Board between 1949 and February 1, 1953 did not exceed thirty-two and was not below thirty.

Of the thirty-two directors when Sloan became president, sixteen were so-called management directors and only two of these had been connected with du Pont—Donaldson Brown and Haskell. The other than management directors were five bankers, three American industrialists, and two foreign industrialists:

Sir Harry McGowan of Imperial Chemicals, William McMaster of Canadian Explosives, Seward Prosser of Bankers Trust Co., Edward P. Stettinius of J. P. Morgan, William H. Woodin of American Car & Foundry, C. M. Woolley of American Radiator, and Owen D. Young of General Electric, all became members of the Board during the 1920 financing. There is no evidence that they were added at the suggestion of the du Pont nominees.

[fol. 477] The defendants have admitted that in 1942 du Pont suggested additional directors who were neither management nor du Pont nominees. At that time there were only three directors on the Board who were neither management nor du Pont nominees.

In July 1944 Carpenter wrote to Sloan urging selection of additional non-management and non-du Pont directors. Sloan testified he took the initiative in attempting to find qualified men who would be willing to serve. He also testified that in such search he sought suggestions from other members of the Board, including du Pont nominees, and discussed generally with all Board members the suggestions received.

In 1943 Sloan wrote to Carpenter, who was a member of the General Motors Board, that in his search for "outside" directors, he was "against Bankers on Boards of industrial companies" and had therefore eliminated the suggestions of Henry C. Alexander, Vice-President of J. P. Morgan, and R. K. Mellon, President of Mellon National Bank, whose names had been proposed by Carpenter some time previously. On January 8, 1948, five years later, R. K. Mellon was named to the Board of General Motors at the suggestion of Donaldson Brown. Mellon had by this time become "a very large stockholder in General Motors". In 1949 at the request of Sloan, Alexander, the other banker, was added to the Board. Thus some period of time passed between Sloan's indicated aversion to bankers on boards and the subsequent appointments.

In addition, on December 18, 1944, Lamot du Pont wrote to Sloan regarding Bernard Peyton, a nephew of Eugene du Pont who owned 60,000 shares of du Pont common "which is more than enough to give him a predominating interest in the affairs of that company and indirectly in [fol. 478] General Motors." (GT-X 1230). Lamot du Pont wondered if "this would be a suggestion for consideration from the standpoint of directorship in General Motors". Sloan's reply admitted that neither he nor Donaldson Brown, to whom he spoke about Peyton, knew Peyton, and replied that if Peyton was the owner of a large block of du Pont common, involving indirectly substantial ownership in General Motors, together with his past business experience as Vice President and Treasurer of New York Air Brake Company, he would be qualified. He further stated that if necessary he would make inquiries regarding Peyton, but felt that since Lamot du Pont knew him no more was needed. In any event, Peyton never became a member of the Board.

On December 10, 1945 Sloan wrote to Carpenter, then President of du Pont and a member of the General Motors Board, regarding the suggestion of Mr. Pratt to consider General Marshall as a member of the General Motors Board and indicated that he did not favor the suggestion. A reply came from Lamot du Pont, Chairman of the Board of du Pont and also a member of the General Motors Board, that he was not in favor of General Marshall's

membership. On Sloan's letter to Carpenter, there appears a handwritten notation of the name of "E. F. Johnson", and in the following month Johnson was elected a director of General Motors. Prior to his service with General Motors, he was an employee of du Pont.

On April 22, 1930, in an exchange of correspondence, Lamont du Pont agreed with Sloan's suggestion that Mr. Bishop should not be re-elected a vice-president of General Motors but thought he should be retained a director, and suggested further that Curtis C. Cooper, who had severed connections with the corporation, be dropped as a director. On May 1, 1930 Mr. Bishop was not re-elected [fol. 479] Vice-President but continued as a director, and Mr. Cooper was not retained as a member of the Board.

In 1928, Raskob, while chairman of the General Motors Finance Committee, became Chairman of the National Democratic Committee in connection with the candidacy of Alfred E. Smith for President. Sloan testified he considered it unsound for Raskob to manage a political campaign and at the same time continue as "unofficial" spokesman for General Motors because he felt it put General Motors in politics. Raskob differed with Sloan's view and was supported by Pierre S., Irene, and Coleman du Pont. The episode resulted in Raskob's resignation and also the resignation of Pierre S. du Pont as Chairman of the Board. Both, however, remained as members of the Board and the Finance Committee. Lamont du Pont succeeded Pierre S. du Pont as Chairman of the General Motors Board and held that position until 1937.

Mr. Sloan testified that he discussed prospective directors, particularly "outside" directors, with the entire Board.

A majority of the directors have always been the nominees of management. Sloan testified that management directors were always nominated by him when they had achieved in the management hierarchy of the corporation a position which entitled or required that they be on one of the committees of the Board, and further that he never discussed these nominations with anyone except the management group and after his recommendation their election was automatic. Sloan and Carpenter testified that no du Pont nominee ever objected to the number of management directors which Sloan wanted on the Board.



### *Committees of the Board*

The Executive Committee, until merged with the Policy [fol. 480] Committee in 1937, dealt with operational management problems. In May 1923 when Sloan became president of General Motors there were six members, three of whom were du Pont representatives, i.e., Pierre S. du Pont, Chairman of the Board, John J. Raskob, Chairman of the Finance Committee, and Donaldson Brown, a member of the Finance Committee. The membership of this committee was increased to twelve during the period 1923-1934, and new members were added at the suggestion and request of Sloan.

It is the Government's contention that du Pont directly intervened in decisions touching on changes in the membership of the Executive Committee and refer to the incident following the resignation of Raskob and Pierre S. du Pont from the Executive Committee. Irene du Pont, then Vice-Chairman of the Board of du Pont wrote to Lamont du Pont, Chairman of the Board of General Motors, reminding him of the recommendations made by Pierre S. du Pont and Raskob for their vacancies—that Knudsen be placed on the Executive Committee for Raskob, Mr. Mooney in place of Mr. Mott, and possibly, Walter Carpenter in place of Pierre S. du Pont. Knudsen was placed on the Executive Committee within three months; Mooney became a member of the Executive Committee some six years later; and instead of Carpenter, Lamont du Pont took Pierre S. du Pont's place on that committee. Neither Knudsen nor Mooney was connected with du Pont.

On April 22, 1930 Sloan received a reply from Lamont du Pont, then Chairman of the Board of General Motors, which approved of Sloan's idea expressed in an earlier letter of abolishing the Operations Committee and of placing its members on the Executive Committee. Lamont du Pont went on to say this meant that Bradley, Grant, Hunt and Wilson, all of whom were vice-presidents, would [fol. 481] have to become members of the Executive Committee and presumably would have to be elected directors, but added there was no reason why Glancey, Reuter and Strong, who were also vice-presidents, should be added to the Board. Some four or five years later, 1934 and 1935, Bradley, Hunt and Wilson were added to the Executive

Committee and to the Board. The others mentioned by Lamot du Pont never became directors.

Lamot du Pont, Chairman of the General Motors Board, who had become a member of the Executive Committee in 1930, resigned as a member in 1934. In this connection Sloan wrote to Lamot du Pont inquiring whether Lamot du Pont would like to have Carpenter elected in his place. The evidence shows that Carpenter did not go on the Committee and no one replaced Lamot du Pont. After his resignation, du Pont had no representative on the Executive Committee. Donaldson Brown remained a member of this committee.

The Finance Committee until merged with the Policy Committee in 1937 dealt primarily with financial matters. In 1923 of the eleven members, seven were du Pont men. These were Pierre S. du Pont, Chairman of the Board of du Pont, Irene du Pont, President of du Pont, Lamot du Pont, Vice President and a director of du Pont, John J. Raskob, a director and member of the du Pont Finance Committee, J. A. Haskell, a vice-president and director of du Pont, H. F. du Pont, a director and member of the Finance Committee, and Donaldson Brown, a director and member of the Finance Committee of du Pont. With the death of Haskell in 1923, the du Pont representation was reduced to six. The Finance Committee in 1923 with continuing du Pont representation reflected the original understanding with Durant that in financial matters the du Ponts would assume the primary responsibility.

[fol. 482] In 1924 this committee was increased to twelve and eventually to fourteen. In 1927 Carpenter became a member of this committee.

With the resignation of Raskob from the Executive Committee and Chairmanship of the Finance Committee, Lamot du Pont, then President of du Pont and a director of General Motors, wrote to Sloan regarding the chairmanship of this committee stating that he felt it was up to du Pont to make a nomination since du Pont "has always assumed the responsibility for the financial direction of General Motors" and suggested the appointment of Carpenter and, if not agreeable, Donaldson Brown. The record shows that Donaldson Brown succeeded Raskob as Chairman.

On May 3, 1937, the membership of the Finance Committee was fourteen, seven of whom were du Pont representatives, i.e., Pierre S., H. F., Irene, and Lammot du Pont, Raskob, Brown and Carpenter. The other members were Baker, Prosser, Sloan, Whitney, Morgan, Mott and Bradley. Sloan testified that most of the additions to this committee during the period 1923-1937 had been at his suggestion.

In 1937 at the insistence of Sloan, the two committee operation was consolidated into the Policy Committee. Sloan testified that the change was desirable because experience proved that the Finance Committee for some years prior to 1937 had dealt with problems which though financial in nature were operating problems as well. After some discussion, his recommendation was accepted and a Policy Committee which had complete authority to deal with broad policy questions was established. At this time Sloan resigned as President and was succeeded by Knudsen. Sloan remained the Chief Executive Officer and Chairman of the Board.

[fol. 483] The one committee idea had been discussed with du Pont representatives. It was considered by the Finance Committee of du Pont and the committee was in favor of the objectives of the proposal, but misgivings were expressed with respect to the discontinuance of the Finance Committee without creating some body whose particular function would be the handling of financial problems. A proposed compromise plan was submitted which was not adopted.

In connection with the 1937 reorganization, Lammot du Pont wrote to Carpenter reporting on a conference held in New York. Those present, including himself, were Alfred Sloan, Donaldson Brown, J. T. Smith, John Raskob, John Pratt and Pierre S. du Pont. At this conference it was agreed that the Board would be reduced to 28 omitting McGowan, H. F. du Pont, W. A. Fisher, Kaufman, Opel, Swayne, Woolley and Young; a Policy Committee would be appointed consisting of Bradley, Brown, Knudsen, Sloan, Smith, Wilson and three representatives of du Pont; and an Administrative Committee would be appointed with Wilson as Chairman. In addition it was agreed that eventually Sloan should become Chairman of the Board and



Knudsen, President. Lammot du Pont stated that Sloan seemed so insistent on his one committee idea, which was concurred in by the others, that he felt any objections Carpenter or he had should be waived in view of the fact that some other man of financial experience from du Pont might be named on the Policy Committee.

The record shows that during the life of the Policy Committee, continued misgivings were expressed as to its efficacy. Sloan, Carpenter and Lammot du Pont exchanged correspondence with reference to the weaknesses disclosed by operating under the Policy and Administration Committees. Sloan had reached the conclusion that the committee set up should be altered. In writing to Donaldson Brown Sloan stated "we put too many things on the Policy Committee that involve administration and do not confine their work sufficiently to broad questions of policy." In addition, Sloan in his correspondence with Lammot du Pont stated that the General Motors Organizational scheme of things was not adaptable to the same type of organizational set up existing in du Pont. A change in committee organization was effected in 1946 by a return to the two committee plan: one was the Financial Policy Committee and the other the Operations Policy Committee. Mr. Sloan testified as to the considerations evoking a return to this system. He also testified that the reason correspondence evidence existed with the du Pont group and none with the management group of directors was that the management group was in the same office and these matters of organization changes were discussed orally with them.

The Policy Committee always consisted of nine members. During the entire period of this committee the following du Pont officers and directors, not including Sloan, were members: Donaldson Brown, Carpenter and Lammot du Pont. The management members were Bradley, Sloan, Smith, Wilson and Knudsen, who was replaced by Hunt in 1940 on the nomination of Sloan. The other member was George Whitney of J. P. Morgan. With the exception of Knudsen, the personnel of this committee remained the same throughout its life.

In 1943 Sloan wrote to Lammot du Pont asking his reaction to the suggestion of Kettering as a member of the Policy Committee. Lammot du Pont did not favor the

suggestion and Kettering was not appointed. Testifying regarding this incident, Sloan stated that others agreed with Lamot du Pont, including himself after giving the subject further consideration. Sloan also testified that he [fol. 485] consulted with all the directors regarding the appointments to the Policy Committee.

In 1946 with the change of committee organization, there were no du Pont representatives on the Operations Policy Committee. The Financial Policy Committee started with nine members and was later increased to ten. At no time during its existence were there more than three du Pont representatives on this committee.

The evidence shows that since 1934, with the exception of Donaldson Brown, no du Pont representative was on the Executive Committee. Brown had been described by Sloan as a General Motors man although he was a former officer of du Pont, retained his membership on its Board and its Finance Committee when he went to General Motors. Brown became a part of the General Motors organization in 1921 when Raskob in a letter to Irene du Pont, who was then President of du Pont, wrote that General Motors needed expert financial assistance and that the person selected should not only be a man of unquestioned ability but one who enjoyed the absolute confidence of the directors of du Pont, which now controlled General Motors. He recommended Donaldson Brown and stated that since the financial interests of both companies were so closely interwoven, Brown should be retained as a director and member of the Finance Committee of du Pont. Brown eventually succeeded Raskob in General Motors and became chief financial advisor to its president.

There is no evidence that Brown was active in commercial relations between du Pont and General Motors or that he ever did anything to encourage the use of du Pont products by General Motors.

During the life of the Policy Committee, of a membership of nine, three, including Brown, were du Pont representatives. There were no du Pont representatives on the Operations Policy Committee.

On the Finance Committee, which was changed to the Policy Committee in 1937, there were seven du Pont representatives, including Brown, in a total membership of four-

teen. Of the ten members on the Financial Policy Committee in 1946, three were du Pont representatives. Thus, numerically, the du Pont representatives were not in a majority on the governing committees of General Motors. The record shows that during 1941 du Pont was interested in the retention and placing of able personnel in the financial department of General Motors.

The participation of the du Pont representatives in the selection of General Motors directors and in determining the organization of the board and the composition of its committees does not establish that du Pont has been the controlling force in the direction of General Motors affairs, or has been in a position to act as if it owned a majority of General Motors stock. The record shows consultation and conference, but not domination. Moreover, in all these matters Sloan has clearly been the leader and the dominating influence and has largely determined the results. With a minimum of consultation with du Pont representatives he has selected the management. In large part, though with somewhat more consultation with du Pont, he has suggested the names of directors and led the discussion in that respect. Sloan's testimony and the record as a whole are convincing that at all times he acted independently and steadfastly in the best interests of General Motors.

The Court finds it highly significant that in all of the correspondence regarding General Motors directors the attitude of the suggested nominee toward du Pont was in no instance a consideration in his approval or disapproval. [fol. 487] Accordingly, the Court finds, based on all the evidence, that du Pont's participation in the selection of General Motors directors and management does not establish that it controlled General Motors or that it sought through such participation to place people in General Motors who would further du Pont's interests as a supplier or as a chemical manufacturer.

### Bonus Plans and Awards

The record shows that in 1923 du Pont sponsored and supported the Managers Securities Plan. The idea had been suggested by Pierre S. du Pont, then President of General Motors, and the details, with some variations before the final adoption, are set forth in a report prepared



by Raskob and Brown. This report was submitted to the du Pont Finance Committee and stated that Pierre S. du Pont's interest in the plan caused the report to be made. The report stated that Pierre S. du Pont felt that the most effective manner of attaining maximum success in the conduct of the affairs of General Motors was to interest its principal men as substantial stockholders or partners in the business, that du Pont with its large and controlling interest in General Motors would enhance the value of its own investment by the adoption of such a plan in General Motors and would retain the same control of General Motors through owning two-thirds of the stock of General Motors Securities Company, plus the fact that "it will definitely tie up with us in the management and control of this huge investment the men in General Motors Corporation who are definitely charged with the responsibility and success of the corporation." (GTX 235).

Managers Securities Corporation was organized by General Motors to purchase 2,250,000 shares, or approximately one-third of the common stock of General Motors Securities [fol. 488] Company, the du Pont Company which held 7,500,000 shares of common stock in General Motors. Du Pont from time to time surrendered voting control of the 2,250,000 shares until 1938 when the successor corporations, General Motors Securities, was liquidated.

In the course of evolving this additional compensation plan, the evidence shows that Irene du Pont had certain objections and suggested that the stock for Managers Securities be procured through circularization of General Motors stockholders. Mr. Laffey, Chief Counsel for du Pont, advised Irene du Pont that a direct sale of the stock to General Motors would have incurred a federal capital gains tax. Irene du Pont testified to this as one of the considerations for the plan ultimately adopted. The plan originally proposed by Raskob and Brown, and objected to by Irene du Pont, was retained and du Pont supplied the stock which was the sole asset of Managers Securities. The Managers Securities common stock was sold to General Motors and resold by it to about eighty of its executives.

General Motors agreed to pay Managers Securities 5% of its earnings annually, plus \$2,000,000 per year, after deducting 7% on invested capital. Prior to Managers Secu-

rities, General Motors had annually set aside 10% of its earnings, after deducting 6% on invested capital, for the bonus fund. With the creation of Managers Securities, one-half of the 10% previously set aside for the bonus plan, or 5%, was allocated to Managers Securities for distribution in Class A stock, having a par value of \$100, and Class B stock, having a par value of \$25. Sloan testified that the Class A, five million par value stock of Managers Securities was not entirely allotted to executives, a reserve being held so that in subsequent years the allotment to Managers Securities was reduced below 5%, the balance going to the bonus fund. The Class B stock of Managers [fol. 489] Securities received the dividends earned by 2,250,000 General Motors common purchased by Managers Securities from du Pont.

The executives purchasing Managers Securities stock paid one-seventh of the purchase price in cash and the balance was paid on a deferred payment basis out of future bonuses and out of the earnings of the stock purchased.

The Board of Directors created a committee which was empowered to designate the employees of General Motors who were to participate in the Managers Securities stock. This committee consisted of three members—Pierre S. du Pont, Chairman of the Board, and two other directors, Seward Prosser of J. P. Morgan, and Arthur G. Bishop, President of a Flint, Michigan, bank.

Sloan testified the stock allotments were made and determined by the special committee, then submitted to him as Chief Executive Officer for consideration and recommendation in the way of changes in the allotments. The initial awards of Managers Securities stock were made November 22, 1923 when Pierre S. du Pont wrote to the two other members of his committee making suggestions as to the distributions of stock. Sloan testified that the original allotment by the committee was made before submission to him, that Exhibit GM 30 contained the final allotment after submission to him, and showed the changes he had made.

Pierre S. du Pont testified the general method followed in bringing to the Special Committee recommendations for allotments for General Motors personnel of Managers Securities stock was that allotments were initiated by heads of the different departments of General Motors in

a recommendation to the president of the corporation, who expressed his opinion thereon and passed the entire recommendation to the committee of three and so far as he knew no recommendation was changed by the committee [fol. 490] after it came from Sloan. Sloan testified that bonuses were distributed by the Chief Executive Officer of the corporation whose recommendations went before the Finance Committee for approval. He further testified that although the chief executive officer had jurisdiction so far as the higher executives of the corporation were concerned, their compensation came through Managers, Securities and he made no allotments to the higher officers since it was automatic and determined by the Special Allotment Committee. With respect to the operation of the bonus plan, he stated that although the responsibility rested with the chief executive officer he could not determine the allotments in the lower echelon of authority. A certain amount was allocated to a division and the chief executive of the division was the responsible agent in distributing the bonus within that division. He then submitted his recommendations to the chief executive officer who in turn submitted them to the Finance Committee until the year 1936 and thereafter to the Bonus and Salary Committee. Sloan testified that he could not remember any instance where the recommendations so made were changed by the Finance Committee or the Bonus and Salary Committee.

In 1923 the Finance Committee of General Motors, which received the recommendations of the Chief Executive, and the heads of the division, still reflected the original understanding with Durant that in financial matters du Pont would assume primary responsibility. Du Pont had six representatives in a total membership of eleven. After the membership was increased to fourteen in 1923, there were six du Pont representatives.

For the years preceding 1941 there are no records of the personnel of the Bonus and Salary Committee which replaced the function of the Finance Committee in connection [fol. 491] with the compensation plan. From 1941 to 1948, Government Exhibit 276 shows that of the five directors constituting this committee, the majority were du Pont representatives. They were W. S. Carpenter 1941-1944; H. B. du Pont 1944-1948; John J. Raskob 1941-1945;



Echols 1946-1948; and Lammot du Pont 1941-1945, who was also its chairman during that period. The other members were John L. Pratt 1941-1946; George Whitney 1941-1948; and E. F. Johnson 1947-1948. Carpenter suggested his position on the Bonus and Salary Committee in 1944 be taken by H. B. du Pont and added that this would give H. B. du Pont "an excellent opportunity to better familiarizing himself with the personnel" of General Motors. (GTX 210).

Mr. Sloan and Pierre S. du Pont testified that in the allocations made no consideration was given to the purchasing practices or attitudes of any executives toward du Pont.

The Managers Securities Plan as submitted and approved by the General Motors stockholders gave the corporation an irrevocable option to repurchase all or any part of the Class A or B stock and provided that the Finance Committee make a yearly review of the recipients of stock for the purpose of determining whether their stockholdings were disproportionate to the service being rendered, and providing for repurchase of stock in the event it was so found.

The Managers Securities Plan was terminated in 1929 because with the increase in the number of executives it was felt "something had to be done to broaden the scope of the plan." On January 1, 1930 a new seven year plan was developed and General Motors Management Corporation was organized. Du Pont did not provide any of the stock for this new corporation. Upon the expiration of the Management Corporation plan in 1938, General Motors [fol. 492] reverted to the old Bonus Plan as the sole vehicle for rewarding its personnel.

The Court finds no evidence that any action taken by du Pont representatives with respect to the compensation of General Motors executives was intended to influence those executives to deal with du Pont or to refrain from dealing with du Pont competitors. Nor is there evidence of any instance in which a General Motors executive favored du Pont out of consideration for the latter's sale of stock to Managers Securities Company or out of deference to the position of du Pont representatives on the General Motors board.

Du Pont for many years has had supplemental compen-

sation plans in various forms. Pierre S. and Ireneé du Pont testified that they believed strongly that management should share in the success of a company and should participate in its earnings as owners. Their sponsorship of the Managers' Securities Plan was no more than the application to General Motors of a business principle they had long practiced.

The record shows that some du Pont representatives did participate in the determination of the allotments under the Managers' Securities plan and the bonus awards. There was opportunity, therefore, for them, in passing judgment on such matters, to attempt to further du Pont interests as a supplier of General Motors and as a chemical manufacturer. However, there is no evidence that any of them made any such attempt. The witnesses who testified and who would have been parties to such efforts vigorously denied the Government's charges. The Court refers to Pierre S. du Pont, Ireneé du Pont, and Carpenter. A number of other executives who were witnesses such as Sloan, Kettering, Pratt, Lawrence Fisher, Lynah, and Wilson are [fol. 493] among those who would have been "influenced", if the Government's contention is correct. These men, the record shows, acted at all times solely in the best interest of General Motors.

The record as a whole and the findings made in the previous sections of this memorandum support these further findings on the issue of the alleged control of General Motors.

After the dramatic collapse of Durant and the ensuing financial crisis when du Pont representatives were thrust into positions of responsibility in General Motors, and after General Motors had been rescued from that crisis, du Pont's influence and position in General Motors declined radically. During the twenties, a force of considerable strength arose in General Motors that was important in determining any question of control. This force was the management, headed by such a forceful and resolute character as Sloan and including such positive personalities as Kettering, the Fisher brothers, Knudsen, Pratt, Brown, and Wilson.

More than a quarter of a century has passed since the twenties, and the strength and standing of the management have continued to increase and improve. The du Pont

representatives who had originally been interested in General Motors have died or retired. These developments are reflected in the contemporaneous documents, the changes in the membership of the board, the various committees of the board, and in the testimony of Sloan and other witnesses.

Irrespective of what its position may have been before and during the Durant crisis, since the 1920's du Pont has not had, and does not today have, practical or working control of General Motors. On the basis of all of the evidence the Court finds as a fact that du Pont did not and could not conduct itself, for the past 25 years, as though it were the owner of a majority of the General Motors stock.

[fol. 494] The Government cross-examined Sloan respecting GTX 1307 which shows the percentage that the du Pont stock voted at the annual General Motors stockholders meetings bears to the total stock voted at such meetings. Counsel for the Government sought to obtain from him an admission or concession that du Pont's block of stock was at all times sufficient to prevail at a stockholders meeting. Sloan's position was that he did not believe one could tell what would happen if there was a conflict at a stockholders meeting. He pointed out that, for instance, in the year 1932 there were 17 million shares which were not represented at the meeting and further stated that, if there had been a contest for directors, there would have been a much larger representation than 26 million shares. His conclusion was that he did not think that anyone could tell how that large representation would vote because it would depend upon the issue that caused a particular conflict. He further stated that the stockholders owning those shares would be guided by the record of General Motors Corporation with respect to the advancement of its competitive position, its earnings, and its dividends.

Sloan testified that at no time had there been a contest over the selection of directors. He said that while it was true that the du Pont block of stock represented over 51% of the stock at certain of the meetings he emphasized that it was not 51% of *all* the stock entitled to vote. In this connection he said:

"In case of conflict you immediately—the interest you arouse and all that, and the issues that are put



before the stockholders, would mean that a much larger percentage of the stockholders would come into the meeting, and that would dilute in a way the du Pont interest. So I can't just say what would happen. \* \* \* It would depend, as I say, upon a lot of circumstances that I can't evaluate." (3087)

[fol. 495] The Court finds the testimony of Sloan on this question of control both reasonable and persuasive.

There is a substantial failure of proof that du Pont controlled General Motors, even though it was voting at times 51% of the stock voted at a stockholders meeting. The testimony is that there was such satisfaction with the management and operation of General Motors that a large number of stockholders did not choose to vote their stock and made no protest with respect to the management of the company or the actions of the Board of Directors. It is entirely conjectural whether or not du Pont by its stock ownership could control if there had been a contest.

#### *United States Rubber Company*

It is admitted that in June 1927 the defendant individuals, together with Henry B. du Pont, Lamont du Pont Copeland and certain other members of the du Pont family and their close business associates formed a syndicate to purchase United States Rubber stock. It is the Government's contention that the syndicate's acquisition of this stock stemmed from a scheme to bring United States Rubber into the alleged conspiratorial plan involving General Motors and the du Pont Company. United States Rubber Company at this time was one of the largest manufacturers of rubber products in the United States.

In 1913 Irene du Pont purchased 400 shares of United States Rubber common as a personal investment. He testified he made this initial investment through his confidence in a former fraternity brother, Raymond B. Price, who had invented a rubber reclaiming process which was sold to United States Rubber, and because he "was quite aware of the peculiar properties of rubber" and felt a "rubber company ought to be a good growing business." He later in [fol. 496] creased his holdings to 12,000 shares and the extent of his investment from 1913-1926 is set forth in

GTX 1029. During this same period, Lamot du Pont had also invested in United States Rubber common without the knowledge of his brother, Irenee.

Irene du Pont testified as to the background, the reasons and circumstances which caused the formation of the syndicate to buy United States Rubber stock. He stated that in 1927 the stock took a very "sudden nosedive", but the stock of other rubber companies remained firm; that he believed the drop in price was due to the fact that "somebody knew the position of the United States Rubber Company was not what it ought to be; that there had been mismanagement somewhere, and somebody wanted to get out of it and get into something else"; that the United States Rubber balance sheet showed excessive accounts receivable, and excessive inventories, materials, supplies, and finished products which he thought indicated incompetent financial management. However, he thought this was a good time for a profitable investment in United States Rubber, but since it would have required a larger investment than he could properly go into alone, he discussed the formation of a syndicate to purchase United States Rubber stock with his brother-in-law, William Winder Laird. He testified that he and Laird were of the opinion that if they could get a group to purchase a large block they would establish prestige with the management and be in a position to make suggestions and offer criticisms.

Without discussing the identity of the syndicate members with Irene du Pont, Laird drew a syndicate agreement. With the exception of Raymond Price and Henry Davis, who were solicited by Irene du Pont, Laird solicited the other ten members of the first syndicate who were, in the main, clients of Laird's brokerage firm.

[fol. 497] Irene du Pont wired Raymond Price on June 17 1927, as follows:

"Would you join syndicate to buy control your former company." (GTX903).

He also sent him a letter reciting the fact that it would be a good plan to organize a syndicate to acquire control. Price accepted the invitation. On June 30, 1927, Irene du Pont wrote inquiring whether Price would return to United States Rubber if "we should succeed in getting a

large block and had a voice in the management". (GTX 906). Irene du Pont testified this invitation to Price was not to replace anybody with him, since they "were backing the management, not through revamping the management" but supporting the management with the best advice. He stated that the syndicate thought the company would be impressed by the weight of a large stockholder, would get the matter "cleaned up" and as a result the company as a whole would prosper.

The syndicate agreement dated June 30, 1927 recited that the purpose was to acquire common stock in "quantities sufficient to give practical control, or at least a voice in the management". There were twelve persons in the syndicate at its inception. With the exceptions of Price and Henry Davis, all were stockholders in Christiana Securities and four—Irene, Lamont and H. B. du Pont and W. W. Laird—who subscribed for over half of the amount were Delaware stockholders. Six of the subscribers were directors of the du Pont Company and the rest, with the exception of Price and Davis, were members of the du Pont family. At this time Irene du Pont was Vice-Chairman of the Board of du Pont and Lamont du Pont was its President. Both were serving on the Finance Committees of General Motors and the du Pont Company.

[fol. 498] A report, addressed to Mr. Laird and presumably undertaken at his suggestion, was submitted on August 4, 1927 by Mr. Lytle on the problems and potentialities of United States Rubber. It was brought to Irene du Pont's attention and he testified that it confirmed his views of the problems besetting United States Rubber.

A second syndicate was formed September 2, 1927 after the first syndicate had purchased 97,750 shares of United States Rubber stock. The second syndicate was formed in order to admit six additional subscribers. Among them was Pierre S. du Pont, who was Chairman of the Board of du Pont and General Motors, a member of the Executive Committee of General Motors, and also a member of the Finance Committees of du Pont and General Motors. With the exception of H. S. Meeds, Jr., the additional subscribers were Christiana or Delaware stockholders.

By December 9, 1927 the syndicate had purchased 154,750 shares of common stock, or 11% of the 1,379,503 total out-



standing shares, both preferred and common, since both had voting rights: Of the 154,750 shares, the defendant individuals and members of the du Pont family, all of whom were stockholders in Christiana or Delaware, held 149,500 shares and the balance of 5,250 shares was held by Henry Davis, Raymond Price, and H. S. Meeds.

In December 1927 the syndicate operation was closed and some 154,000 shares of United States Rubber common were distributed to the syndicate members. Irene du Pont testified that because they already had the ear of management there was no further need for the syndicate. In connection with the syndicate dissolution, H. B. du Pont wrote to Irene and Lamont du Pont and other members on December 30, 1927 suggesting a voting trust of the syndicate stock be formed. On January 25, 1928 Henry B. du Pont, in writing [fol. 499] to Pierre S. du Pont, indicated that all the members of the syndicate approved the idea and it was agreed that the trustees—Irene and H. B. du Pont and H. S. Meeds—were to receive the stock from the syndicate members, deposit it in a box at the Wilmington Trust Company, and vote the stock as they saw fit. Irene du Pont testified the reason for this procedure was to reassure Seger, then President of United States Rubber, that the investment by the group was not for speculation and also to make it possible to vote the stock as a unit.

In December 1929 after the termination of the second voting trust, Rubber Securities Company was organized by the syndicate members. Irene du Pont had written to the syndicate members the month preceding that Mr. F. B. Davis, Jr., President, Mr. William de Kraft and Mr. Henry Davis, Directors of United States Rubber, were willing to undertake to organize a company to be known as Rubber Securities Company with a capital of 110,000 shares for the purpose of centralizing control of certain stock of United States Rubber. The syndicate stock of 253,300 common shares was to be sold at \$26.50 to Rubber Securities; Rubber Securities stock was to be issued and subscribed to by such of the syndicate members who cared to subscribe in an amount equal to \$29.50 for each share of United States Rubber common. This sale of syndicate stock to Rubber Securities permitted the members to crystalize a tax loss since the stock had been purchased at \$40.50 per share.

Thus, H. S. Meeds, Jr. wrote to Ireneé and Lamot du Pont on December 14, 1928 proposing the formation of a corporation with a view of taking advantage of such losses and expressing the belief that a corporation would offer a better means for "concerted action of the several interests involved" and suggested a Delaware corporation be formed.

In connection with the formation of Rubber Securities, [fol. 500] Ireneé du Pont invited Cyrus Eaton, a banker, to join in the purchase of Rubber Securities stock and sell his United States Rubber shares to Rubber Securities. It appears from the record that Eaton, through Continental Shares, had about 100,000 shares of United States Rubber stock. Ireneé du Pont testified that he thought it would be a very good thing to have him "definitely working with us rather than against us." Eaton refused the invitation.

The idea of centralizing the stock holdings of the syndicate members was one of the purposes for the creation of the new corporation. This is shown by both the record and testimony of Pierre S. du Pont.

Rubber Securities issued 106,335 shares of stock. A total of 101,146 shares was held by the members of the du Pont family; 80,930 shares were held by Delaware stockholders, and 5,159 shares were held by others who were not stockholders in Delaware or Christiana. Thus, 95% of Rubber Securities stock was held by Delaware and Christiana stockholders. Rubber Securities Company in December 1929 held 314,000 shares of United States Rubber common and 46,000 shares of preferred, or about 17% of the voting stock of 2,107,915 shares. It is admitted that this stock was voted as a unit at United States Rubber stockholders meetings.

The stock of Rubber Securities was closely held and kept intact until November 13, 1937 when, in anticipation of its dissolution, its stockholders received United States Rubber preferred and common stock on an approximate pro rata exchange for Rubber Securities stock. The reason for the dissolution of Rubber Securities, which was completed by December 1, 1938, was stated by Ireneé du Pont to be a feeling among the stockholders that they would like to have something of tangible value on the stock exchange that they could borrow on as collateral and, further, the need for holding the group together had disappeared because they [fol. 501] had the ear of management.

After the dissolution of Rubber Securities, the holdings of United States Rubber stock were held by individuals and members of the du Pont family. These holdings have remained substantially intact since the dissolution of Rubber Securities. On June 30, 1949 the members of the du Pont family held a total of 324,516 shares of United States Rubber common, or 18% of a total of 1,761,000 shares, and 75,619 preferred, or 11%, of a total of 651,000 shares. The record shows that there were 14,000 other stockholders in United States Rubber besides the holdings above described. United States Rubber has introduced evidence showing that from 71.7% to 76.8% of United States Rubber stockholders were represented at the annual stockholders meetings for the years 1947-1949. At no time subsequent to the dissolution of Rubber Securities have the members of the du Pont family held more than 17% of the United States Rubber voting stock.

Irene, Lamont and Henry B. du Pont transferred large blocks of their original holdings of Rubber Securities stock to trusts for the benefit of their children wherein the Wilmington Trust Company was designated as the trustee. On June 30, 1949 the Wilmington Trust Company held approximately 150,425 shares of United States Rubber common and 17,736 shares of United States Rubber preferred in the various trusts so established. Thus, almost one-half of the family holdings in United States Rubber common stock are held by the Wilmington Trust Company, as trustee. Most of the trust agreements provided that stock in the corpus of the estate may be voted by the trustee only with the advice and consent of a designated Advisor. Twenty-one of these trusts are listed in Appendix A to the Amended Complaint.

[fol. 502] In this connection the Government asserts that the Wilmington Trust Company is controlled by the du Pont family and this control directed the voting of shares of United States Rubber held by Wilmington Trust as trustee.

George Edmonds, President and Director of the Wilmington Trust Company, testified that the provisions regarding the holding and voting of securities underlying the trusts were entirely usual and in common use throughout the country; that specific or "blanket" approval by the Ad-



visor to vote all the stock in a particular trust in favor of the management, provided there is no dispute, is required before the trustee will vote the stock; that where there is no contest for election of directors or other controversial question, the trustee follows the policy of voting for the management.

The members of the du Pont family hold 31,590 shares of voting stock in Wilmington Trust, and Christiana Securities holds 7,210 shares, constituting 24% of the total 161,150 shares of outstanding Wilmington Trust stock. The Raskob report lists the Wilmington Trust under the heading of "du Pont control". The government has introduced GTX 3 and 1276 to show that members of the du Pont family and their close associates have been and are directors of Wilmington Trust. As of June 1949, the board of Wilmington Trust consisted of twenty-two directors, seven were members of the du Pont family and three were their close associates.

Kuhn, Loeb & Co. had been issuing bankers for United States Rubber since 1917 and had been underwriters for about twelve issues of United States Rubber securities before 1927. It was in connection with the 1917 financing that Seger became a director in United States Rubber on recommendation of Kuhn, Loeb.

[fol. 503] Beginning in October 1927 Irene du Pont had a series of meetings with Charles B. Seger, whom he met for the first time in July and who was the President and Chairman of the Board of United States Rubber. Irene du Pont testified that the first time he met him, Seger inquired whether he had called to obtain his resignation. Irene du Pont replied that they had bought into United States Rubber to support him and give what assistance they could to effect an improvement in the financial setup of the corporation. He also testified that he was favorably impressed with Mr. Seger and that he felt reassured that conditions would improve with guidance from some one who had been "through the mill" in similar problems. He sent Seger a copy of the Lytle report and a copy of the du Pont bonus plan, with the suggestion as to the latter that Seger see John J. Raskob, who had no interest in United States Rubber, regarding his views on United States Rubber adopting some such plan.

When the syndicate made its investment Irene du Pont at a meeting with Wiseman and Schiff of Kuhn, Loeb & Co., subsequent to his meeting with Seger, informed Kuhn, Loeb of the syndicate investment in United States Rubber and asked for their cooperation in improving its financial management. At Schiff's suggestion, Irene du Pont and the Kuhn, Loeb representatives met with Seger. Irene du Pont offered to help Seger solve United States Rubber's problems of excessive accounts receivable and inventories. Seger appeared receptive to the views expressed at these meetings.

After the meetings with Irene du Pont, Seger invited him to become a member of the United States Rubber Board but he declined for the reason he did not want to undertake the burdens and feared the presence of a du Pont name on the Board might mislead the public as to the value of United States Rubber stock.

Early in 1928 when the price of crude rubber dropped from forty cents to twenty cents a pound, United States Rubber having a large inventory was faced with a possible inventory loss of almost two million dollars. This drop in the price of rubber reduced the value of the company's assets below the point at which payment of dividends was permitted under the terms of one of its note indentures, and the decline in the value of its assets made it imperative to conserve the company's cash for meeting approaching maturities on its borrowings.

Wiseman and Irene du Pont testified that Seger was reluctant to recommend that no dividend be paid, but was eventually persuaded by Kuhn, Loeb to recommend to the Board that no dividend be declared. Seger, in a letter to the stockholders on April 5, 1928, explained the action of the company and stated that "except for the limitations imposed by the Indenture" there was no reason why the dividend should not have been declared at this time. Wiseman testified that Seger's reluctance to recommend non-payment of the preferred dividend strengthened the Kuhn, Loeb view that Seger needed help in running the company.

During the Spring and Summer of 1928 the price of crude rubber continued to decline and the company's loss of inventory value, plus a twenty million dollar indebted-

ness, created concern among its creditors and it was feared that a receivership might result.

In April 1928 Lewis L. Strauss of Kuhn, Loeb prepared a plan for the issuance of new common stock by United States Rubber. Irenee du Pont also regarded the raising of new capital necessary. Seger, however, took no action regarding it.

[fol. 505] In the Summer of 1928 the syndicate sold 27,600 shares of United States Rubber stock at a loss. Irenee du Pont testified the sale was made by the syndicate members for the reason that they suspected there might be a receivership and "that we had better sell some of the stock and reduce our commitments". In October 1928 the Guaranty Trust Co. threatened to cut off its credit to United States Rubber and several other banks expressed concern to Kuhn, Loeb about the continuance of credit to the company. Seger was finally persuaded that it was necessary to raise new capital, and at his request in October 1928 Kuhn, Loeb drafted another plan for the issuance of common stock. The issue of 728,412 shares of common was to be offered to the existing common stockholders on a share for share basis. Kuhn, Loeb invited other banking and brokerage firms to participate in the underwriting, including Laird, Bissell & Meeds, who were included at the request of Irenee du Pont.

Sir William Wiseman testified that as early as 1927, Kuhn, Loeb had come to the conclusion that Seger should be replaced as President because of his poor health, his difficulty in reaching decisions on pressing problems, and for the reason that United States Rubber was making a poor showing in comparison with its leading competitors.

Irenee du Pont, in November 1928, wrote the members of the syndicate informing them of the decision for the new issue of stock and suggesting that in order to improve the management the Board be enlarged by three additional members and to fill the two vacancies; that these appointees should be two from Kuhn, Loeb, two from the syndicate, and the proposed new president. In December 1928 Roger Winthrop and Sir Wiseman of Kuhn, Loeb, and Henry Davis, for the syndicate, were elected members of the Board. In addition, it was contemplated that these mem-  
[fol. 506] bers of the Board would become members of the



Finance Committee. Irene du Pont testified that the decision to replace Seger as president became necessary because nothing had been accomplished to improve the weak financial structure of the company, and because of his unrealistic attitude in the dividend controversy and the new stock issue.

With the exception of H. F. and H. B. du Pont, all of the syndicate members decided to subscribe to the new stock issue. H. B. du Pont testified he was discouraged over the prospects of United States Rubber and did not wish to risk more capital in the company.

In the underwriting of the new common stock issue, Kuhn, Loeb allotted to Laird, Bissell & Meeds a 20% participation which was approximately the percentage which the syndicate members held in the common stock of United States Rubber. Wiseman testified this was a common arrangement. Thereafter, Laird, Bissell & Meeds and the syndicate members had an agreement whereby the syndicate members would receive a discount of \$2.40 out of each \$3.00 cost of underwriting their stock. The new stock was issued January 11, 1929 and the syndicate acquired 125,150 shares at a cost of over four million dollars.

Preceding the investment and issuance of the new stock, Irene du Pont testified that the syndicate members had decided that if they were to take up their subscription rights to the new issue some safeguard against lack of proper financial management would be necessary and took the position with Kuhn, Loeb that we should have some representation on a body which might be termed a finance committee so that we would have some control over the financial management of the company". This concern over the financial structure and the desire of the syndicate to [fol. 507] assume that responsibility is reflected in several letters written by Irene du Pont.

#### *Officers, Directors*

Wiseman testified that he and Mr. Schiff, his partner, urged Seger to become Chairman and that a younger and more active man be made President. Kuhn, Loeb were unable to find anyone whom they considered suitable and in November 1928 asked Irene du Pont to try to find such a person.

Irenee du Pont testified that H. S. Meeds suggested F. B. Davis, Jr. to him and Davis stated that Meeds had advised him he might be approached by Irenee du Pont. Shortly after the suggestion of Meeds, Irenee du Pont saw Davis and asked if he would be willing to take the post if elected, and Davis accepted.

On January 5, 1929 Irenee du Pont wrote a letter to Schiff of Kuhn, Loeb, sending a copy to Seger and Davis stating he had found a suitable man for the office of President. That same month, at the request of Irenee du Pont, Davis met with Schiff and Wiseman of Kuhn, Loeb. Schiff and Wiseman introduced Davis to some of the directors—J. S. Alexander, H. R. Winthrop, Matthew Brush, and L. B. Gawtry. Wiseman stated that they were impressed with Davis' qualifications and concluded he was an excellent candidate for president. Mr. Schiff advised Irenee du Pont that Seger had no objection to bringing F. B. Davis into the situation, but that there was difference of opinion as to how this could be accomplished without unfavorably affecting the organization. Wiseman negotiated with Seger as to the terms of his retirement. Irenee du Pont in writing Wiseman January 11, 1929 stated he was in favor of continuing Mr. Seger's contract with United States Rubber [fol. 508] and his salary payment "if it will assure the Rubber Corporation of his good advise based on many years' experience as head of that institution."

At a meeting of the Board on January 15, 1929 presided over by Wiseman, Seger resigned as President and Chairman of the Board, and F. B. Davis was elected President, Chairman of the Board and a director. Wiseman testified that Kuhn, Loeb, when sponsoring the election of Davis, did not know or inquire into the amount of stock held by the syndicate.

Prior to Irenee du Pont's letter to Kuhn, Loeb suggesting Davis as a suitable candidate for president, he had written to the Voting Trustees—H. S. Meeds, A. Felix du Pont, and Lamot du Pont—summarizing the steps regarding the central organization of United States Rubber which, as principal stockholders, the syndicate should advocate. Irenee du Pont indicated the recommended changes were to continue the body now known as the Executive Committee under the name of the Finance Committee to

consist of five persons—two representatives of bankers, William Wiseman and James S. Alexander; two representatives from the syndicate, Henry Davis and William de Krafft; and the new president. Irene du Pont stated: “(This would leave our group in control of those matters which will be delegated to the Finance Committee . . .).” (GTx988). A real Executive Committee was to be made up of not over eleven men familiar with United States Rubber operations headed by the president or one of the other principal employees, and the number and personnel of this committee to be subject to change on the advice of F. B. Davis, Jr. The evidence shows that the persons recommended by Irene du Pont were elected members of the Finance Committee, and William de Krafft became its Chairman; that an Executive Committee was organized with F. B. Davis as Chairman and William de Krafft be- [fol. 509] came a member the following year.

At the time F. B. Davis, Jr. was elected President, the syndicate's representation on the Board was one director—Henry Davis. In addition there were the two representatives from Kuhn, Loeb. There were fifteen members, including Seger, on the Board at this time.

F. B. Davis, Jr. was the President of the Viscoloid Company; a du Pont subsidiary, at the time he accepted the presidency of United States Rubber. In 1909 he had been in charge of the black powder division of du Pont, later becoming superintendent of the sporting powder division when Lamont du Pont was its divisional manager. Following the end of World War I, he was assigned to the du Pont Central Office as assistant in charge of salvage and later became superintendent of the Pyralin operations. He left du Pont because he was ambitious and felt there were too many bosses over him, going to General Motors as assistant in charge of its Saginaw Products Division where he remained until 1923. He was asked to return to du Pont by a member of the du Pont Executive Committee and accepted because, as he stated, du Pont had changed its organization to a decentralized type and because the compensation offered was larger than he was receiving. He became assistant general manager of the Pyralin Department, later its general manager, and was also made a du Pont director. The Pyralin Department was consolidated



with the Viscoloid Company and in 1927 Davis became its president. After he became President of United States Rubber he continued as a director of du Pont until about 1941. He was also one of the incorporators of Rubber Securities, organized in December 1929. Irene du Pont testified that F. B. Davis was known to all members of the syndicate and that therefore they were familiar with his [fol. 510] record. He also said that he had discussed the suggestion of Challen Parker as president with the syndicate, but since none of the members knew him he withdrew the suggestion. Irene du Pont stated that he felt it was a requisite that the new president be personally known so that they would know what kind of a man they were getting.

Both Davis and Pierre S. du Pont testified that while Davis was president of United States Rubber he visited with the du Ponts, particularly Irene and Lamont. He discussed with them the affairs of United States Rubber, consulting with them regarding the financial side, because as he said, "that was the part of it that they were most vitally interested in", but did not seek their advice on management or the operating end except to report on accomplishments.

Prior to Davis becoming president, Lucius D. Tompkins, Vice President of the Tire Division in United States Rubber, testified that it was a centralized organization and "was run by Mr. Seger as Chairman and President, and Mr. Homer Sawyer, Executive Vice-President". One of the first steps undertaken by Davis was to decentralize the organization and the commercial activities were conducted by separate and autonomous divisions, each under control of a general manager having full authority and responsibility as to manufacturing, selling, purchasing, accounting and research within his division, subject to the over-all policies decided by the Executive Committee.

Davis testified that the first thing he did on becoming president was to get acquainted with the Board, appraise the value of each individual member, and consult with them as to their desire to continue with United States Rubber; that he determined who would be most helpful to him and made up a proposed slate to be elected at the annual meeting. He testified further that he selected all the directors. [fol. 511] Davis testified that he not only discussed this

proposed slate with the du Ponts but also with Sir William Wiseman of Kuhn, Loeb and "anyone else that seemed to me could be helpful in giving me advice on that subject". In addition, he stated he felt it was not only proper to discuss directors with important stockholders, but also with each member of the Board.

In March 1929, prior to the first meeting, Davis submitted his proposed slate to the members of the syndicate. This list consisted of twenty-eight names, some already members of the Board, and indicated that as to non-company representation, John W. Davis, and Samuel M. Nicholson desired to resign and that he did not favor continuing Lewis Gawtry. In addition he suggested that Henry L. Hotchkiss be dropped for reasons of age and Homer E. Sawyer be discontinued since he was relinquishing active duties with United States Rubber. He listed eight directors as outside representatives and three company representatives whom he considered desirable to retain, and these were approved by the syndicate. The syndicate also approved three suggested additions for company representatives. Lammet du Pont replied to Davis' suggestions stating the syndicate members approved the retention of the men already on the Board; approved five of nine suggested additions to outside representatives; and stated in the event Gerard Swope, Victor M. Cutter and James A. Farrell would not serve as outside representatives, that the syndicate did not favor the suggestions made by Davis to substitute Carle C. Conway, Harold E. Talbott, or Lewis Gawtry.

Charles B. Seger and Gerard Swope did not wish to serve and Homer E. Sawyer and James A. Farrell were not elected. Lewis Gawtry and Carle C. Conway were [fol. 512] elected directors on April 16, 1929 and August 6, 1929, respectively.

Davis testified that following 1929 when he became more experienced in United States Rubber operations there was no necessity for discussing changes on the Board with the du Ponts and syndicate members, but he did discuss the changes with every member of the Board to obtain their approval.

B. W. Doyle, a former Vice President of du Pont's Viscoloid Company, became a Board member in 1939; George P. Edmonds, a du Pont son-in-law and president of the Wil-

mington Trust, became a Board member in 1944; John L. Pratt was a director of General Motors at the time of his election to the Board of United States Rubber in 1937; W. P. Allen, a former vice-president and director of du Pont became a Board member in 1936; and H. E. Humphreys, Jr., a former employee of Delaware Realty, went on the Board in 1938. Allen, Doyle and Pratt were personally known to F. B. Davis. Between June 21, 1927 and June 30, 1949, a total of fifty-three men served on the United States Rubber Board, seven of whom were elected as temporary directors, leaving a total of forty-six regular members of the Board who served during this period at different times.

Davis and de Krafft did not get along together and eventually de Krafft resigned on June 30, 1938. Davis had previously met H. E. Humphreys, Jr., and thought he would be a suitable replacement. He asked Irene du Pont whether Humphreys could be released from his duties as Secretary of Delaware Realty. Irene du Pont approached Humphreys regarding United States Rubber, and when it was clear that he was interested his release was obtained and Humphreys was proposed by Davis as a member of the Board.

[fol. 513] In 1942 Herbert E. Smith became President of United States Rubber when F. B. Davis resigned. Davis remained as Chairman of the Board and Chief Executive Officer. Smith had been an employee of United States Rubber for about fourteen years before the syndicate was formed. Smith testified that he had only a casual acquaintance with the three du Pont brothers. He stated that following his election he had discussions with the du Ponts and many other stockholders a few times a year regarding the financial situation in United States Rubber.

When Davis retired as Chairman of the Board on December 31, 1948, Smith became the Chairman and the office of President was filled by Humphreys.

In this connection Lammot du Pont Copeland on April 5, 1948 wrote to the three defendant individuals and George Edmonds about a discussion he and Wiseman had concerning the situation when Davis would retire. Lammot du Pont wrote to Davis asking what his views were and stated that he knew of no candidates for president, with a single exception. Herbert E. Smith testified that the "one man who



had what it took, had all of the qualifications that I recognized to succeed me, was Elmer Humphreys''.

After he became President, Humphreys stated that he discussed with the du Ponts certain proposals of importance involving financial matters, and followed their advice only half the time and acted contrary to their advice at other times.

### *Executive Committee*

In a letter to the stockholders on April 23, 1929 Davis stated the Executive Committee was to be made up of those members of the organization who had been heretofore charged with the responsibility of some of the major activities of United States Rubber and would hold meetings each week to advise the president on all operations relating to manufacturing, selling, development and research. On April 23, 1929 the Executive Committee consisted of Edward J. Coughlin who had been with United States Rubber since 1892; William O. Cutter, an employee since 1916 who resigned from the Executive Committee in January 1930; William de Krafft who became a member in 1930; Ernest Hopkinson, an employee of United States Rubber since 1897; Herbert E. Smith, an employee since 1913; Lucius D. Tompkins, an employee since 1916; Eric Burkman, an employee since 1919; F. B. Davis, Jr., Chairman 1929. It is this committee which had the responsibility of approving contracts involving the sale or purchase of goods.

Six members of this Executive Committee were on Irene du Pont's recommended list in addition to five others who were not elected. Irene du Pont had included all the company's chief executive officers on this committee for the reason he felt that experienced operating personnel should be members. Tompkins stated he was approached by F. B. Davis with respect to becoming a member and that thereafter Davis discussed with him appointments or recommendations to that committee. Tompkins testified that Davis indicated to him that length of service was one of the qualifications for membership. Aside from Davis and de Krafft, the other members of the committee had all been employees of United States Rubber for many years before 1929.

The replacement of Cutter by de Krafft as a member of

this committee occurred when Cutter was unable to perform the accounting functions inherent in a decentralized form of organization and there was no one in the company to take his place. Tompkins testified that when he and Davis were discussing this problem he told him that de Krafft impressed him as the type to undertake that responsibility. He testified he did not know that others had [fol. 515] also considered de Krafft suitable for the post. De Krafft remained a member of the Executive Committee until his resignation in 1938.

### *Finance Committee*

The old Executive Committee of United States Rubber served the functions of a Finance Committee during the Seger regime and when Davis became president it became the Finance Committee. Its members on April 23, 1929 were James S. Alexander, F. B. Davis, Henry Davis, and Sir William Wiseman. William de Krafft became a member in January 1930 when James S. Alexander's membership ended. Charles H. Sabin and D. Dwight Douglas were also added to the committee the same year. In November 1948 the following were members of the Finance Committee of United States Rubber: Colgate W. Darden, Jr., F. B. Davis, Jr., Henry Davis, Bernard W. Doyle, George P. Edmonds, H. E. Humphreys, Jr., Herbert E. Smith, and Sir William Wiseman.

On April 8, 1947 Lamot du Pont Copeland wrote Pierre S. du Pont, stating that he, Copeland, and Lewis Strauss had resigned as members of the Board and Finance Committee, that Colgate Darden was elected to fill his place but that the bankers' nominee remained open on the Board, and that Wiseman had suggested Schiff be appointed which idea was not accepted. He stated that because Wiseman was frequently absent, the management group on the Finance Committee were a majority, and since United States Rubber was again pretty well in debt, the Finance Committee should be strong and play a dominant part in watching the finances. At that time the Finance Committee was composed of three management representatives, F. B. Davis, H. E. Smith, and Elmer Humphreys; and three non-management representatives, B. W. Doyle, Henry Davis and Sir William Wiseman. Copeland testified that

his concern was that stockholder representation on the Finance Committee constitute a majority in order to maintain the proper balance between the Finance Committee and the Executive Committee; otherwise, a majority of management representatives on the Finance Committee would be approving their own actions, which "seemed like a weak position". In answer to this, Pierre S. du Pont replied, stating:

"I do not fear the result of the management group being in the majority. If such fear is real, we should change the management."

Pierre S. du Pont testified that he used the noun "we" as meaning all the stockholders. Copeland in his letter to Pierre S. du Pont had suggested that Darden and Edmonds become members of the Finance Committee but since Darden's other interests were heavy, he suggested that Davis be urged to put Edmonds and Whelpley on that Committee. Irene du Pont wrote Copeland April 21, 1947 stating that Darden should be given a chance to refuse, that Edmonds had his approval, and that he did not know Whelpley. Edmonds was elected to the Board and he and Whelpley became members of the Committee.

### *Incentive Plan*

The stockholders of United States Rubber adopted an executive's incentive compensation plan in 1929 by a vote of 1,245,269 to 100. A study of several plans was made before the Managers Share Plan was finally adopted. The Plan provided that the Company should issue 100,000 shares of its common stock at \$35 per share and the trustees would issue to the company 100,000 trust shares without par value, representing ownership of the assets to be held by the trustees of the plan. The plan further provided that the company should from time to time sell the trust shares to employees occupying responsible positions, including directors, actively engaged as officers, employees or members of the Executive Committee, to be chosen by a Special Committee of directors in such quantities as the committee determined and on such terms of payment, interest and prices as fixed by the Finance Committee of United States Rubber.



On December 20, 1929 Ireneé du Pont wrote to Lammot, A. Felix and H. B. du Pont, H. S. Meeds and Henry Davis, officers of Rubber Securities, that he had discussed with F. B. Davis and William de Krafft the question of apportionment of Managers Securities stock and the setting aside of some 3000 shares of Rubber Securities stock for Davis to be paid out of bonuses voted him by Rubber Securities.

The members of the Special Committee appointed to act upon the allotment of trust shares from 1930 to 1949 were:

Matthew Brush, Chairman, 1930-1936

Lewis L. Strauss, Chairman, 1936-1947

Bernard W. Doyle, 1947-1949

Sir William Wiseman, 1930 to date, Chairman since 1947

Henry Davis, 1930 to date

F. B. Davis, Jr., 1948 to date

Wiseman testified that he consulted with Ireneé du Pont with respect to the original allotment to be made under the plan in 1930 for the reason he had more experience than possibly any of the directors of United States Rubber and also asked him what allotment should be made for F. B. Davis. Ireneé du Pont stated Davis should receive 15,000 shares. On March 28, 1930, Davis was allotted 20,000 shares [fol. 518] by the Special Committee and Wiseman advised Ireneé du Pont of that action. This action of the Special Committee was approved by the Rubber Securities Board and Henry B. du Pont testified that when there was an increase in Davis' allotment from 15,000 to 20,000 shares it obviated the necessity of Rubber Securities assigning stock to him.

Ireneé du Pont stated that at the time F. B. Davis went to United States Rubber his salary should not be less than Seger was receiving. The salary was fixed at that figure by a special sub-committee appointed for that purpose. Wiseman testified he did not know that Ireneé du Pont had discussed with Davis the probability that his salary would be the same as Seger's. In 1937, after a study by a sub-committee of the Finance Committee, the company entered into an employment contract with Davis for a term of six years effective January 1, 1938 which remained in

effect until his retirement in 1948. This action was adopted by vote of the stockholders. The contract fixed his salary at a definite figure and made him ineligible for any further participation under the incentive plan.

There is no evidence that the syndicate, or Rubber Securities Co., or the du Pont family in the aggregate ever had voting control of United States Rubber. The Government, moreover, has failed to show that the United States Rubber stock held by the defendant individuals and the members of the du Pont family was acquired with the intent to create a protected market for du Pont or for United States Rubber, or was ever used for that purpose. While much of the rubber stock acquired by the syndicate continues to be held, directly or indirectly, by members of the du Pont family there is no proof of any agreement or understanding that it will continue to be so held, or that it will be voted in concert.

[fol. 519]

#### Trade

Prior to 1910 du Pont had confined itself principally to the manufacture of military and commercial explosives. Nitrocellulose, a nitrated cotton, was the principal raw material used by du Pont in the manufacture of both military and commercial smokeless powder. Du Pont sold its military powder largely to the United States Army and Navy. By 1908, these principal customers had erected and were operating plants of their own and du Pont foresaw the ultimate loss of its smokeless powder business and recognized that diversification and expansion into other fields was essential to its progress.

To this end in 1908 the Executive Committee of du Pont appointed a committee to report "what additional steps they would recommend, in the direction of developing further uses for guncotton or any of the other products of our smokeless powder plants." The Development Department whose immediate jurisdiction it was to explore these fields, made an investigation of new outlets for the excess nitrocellulose in 1909 and found the most important industries in order of size were celluloid, artificial leather, artificial silk, and lacquer, which du Pont was already producing.

In 1910 du Pont purchased the Fabrikoid Company, the

largest manufacturer of artificial leather, which in 1913 was incorporated as the du Pont Fabrikoid Company.

During World War I, du Pont plant facilities, sales and profits in the powder and explosives fields expanded and its net profits from all business during 1915-1918 totaled approximately \$232,000,000. In addition during 1917 the du Pont Company, anticipating the end of World War I and the cessation of orders for powder and explosives, [fol. 520] determined to utilize part of its war profits to expand into fields other than gunpowder and explosives.

In September 1915 du Pont purchased the Arlington Company, one of the two largest celluloid companies in the United States.

In June 1916, the du Pont Fabrikoid Company, manufacturers of artificial leather, purchased the entire stock of the Fairfield Rubber Company, producers of rubber coated fabrics for automobile and carriage tops. The principal customer of Fairfield was the Ford Motor Company, which accounted for 60% of Fairfield's total business. Fairfield was dissolved and the entire stock was taken over by the Fabrikoid Company.

A report of the Development Committee of du Pont in August 1916 "recommended the paint and varnish industry shall be accepted as a suitable expansion of operations at Parlin" and it further recommended "to acquire by purchase one or more suitable going concerns... with a view to transfer of operations to Parlin at the first opportunity time."

In March 1917, du Pont purchased Harrison Brothers & Company, Inc. manufacturers of paint, varnish, acids, and certain inorganic chemicals used in paint manufacture. The Harrison Company owned 52% of the capital stock of the Beekton Chemical Company, the other 48% being owned by Cawley Clark & Company, a color manufacturer. In the middle of 1917 Harrison purchased Cawley Clark & Company, including its interest in Beekton Chemical Company. In 1917 the Bridgeport Wood Finishing Company, a varnish manufacturer, was acquired by Harrison.

After considerable study, du Pont in February 1917 [fol. 521] decided that consideration of new industries at that time should be confined to five chemical fields: Dye-stuff and allied organic chemicals; vegetable oil industry;



paint and varnish; water soluble chemicals; and industries related to cellulose and cotton purification.

Thus by the end of 1917, preceding the investment in General Motors, du Pont had made investments in companies manufacturing artificial leather, celluloid, rubber coated goods, paints and varnishes. In 1917 du Pont was engaged in the production of paints, varnishes and related products although it was still principally producing powder and explosives and manufactured few items used in the production of automobiles; among these were celluloid, used in making side curtains, and artificial leather, used in seats and upholstery.

Following the investment in General Motors, du Pont in 1918 purchased a majority of the common and preferred stock of Flint Varnish & Chemical Works. This event was preceded by a letter from Raskob to Carpenter, Vice President of du Pont. Raskob stated Durant had told him that W. W. Mountain, President of Flint, had approached him about consolidating Flint with Harrison, since Mountain knew du Pont had bought a substantial interest in General Motors and was interested in the paint industry; that Mountain felt he would lose a valuable customer; General Motors. Durant told him the du Ponts would not consider a consolidation but suggested "that they deliver control of the common stock to du Pont's" and that Willys-Overland, Mountain and General Motors retain a 20%-25% interest. This was effected—du Pont purchased 80% of the common stock; Willys-Overland, Mountain, and General Motors acquiring 20%, which was later purchased by du Pont. Flint was dissolved in 1924. At the time of the du [fol. 522] Pont investment, Flint made products primarily used in the finishing of railroad equipment and automobiles.

A few months after the Flint investment, du Pont acquired certain assets of the New England Oil Paint & Varnish Company.

A report by the Development Department in 1920 showed that existing facilities at Flint were insufficient to meet the demands of General Motors and a considerable volume of that business was being diverted to competitors. In April, 1920, W. S. Carpenter, Vice President of du Pont, reported to its Executive Committee, that the Sales Department anticipated increased orders from General Motors and

other automobile companies, prompting an interest in an additional plant, that he favored acquisition of The Chicago Varnish Company. That year du Pont acquired certain assets of the Chicago Varnish Company, and in 1934 it acquired the assets of Mountain Varnish and Color Works.

In addition to the above acquisitions, du Pont also made investments in and acquisitions of other companies as set forth in §§ 88, 90, 91, 92, 94, 95, 96, 98, 99, 100, 101, 102, 103 and 104 of the Amended Complaint.

It is admitted that du Pont is a substantial producer in the United States of explosives, powder and chemicals and that its principal manufacturing operations are conducted through ten departments. These departments and their products are:

*Electrochemicals:* Electro and industrial chemicals, including sodium, cyanides, peroxides, chlorinated solvents for metal cleaning, dry cleaning and extraction, refrigerants, formaldehyde, polyvinyl alcohol and acetate, ceramic decorations, and furfural products;

*Explosives:* Commercial explosives, blasting accessories, [fol. 523] miscellaneous chemicals, liquid and solidified nitroglycerin, oil and gas well torpedo service, military and sporting powders, and commercial nitrocellulose.

*Fabrics and Finishes:* Pyroxylin, synthetic resin, neoprene and rubber coated fabrics, and processed plastic sheeting, window shade fabrics, rug underlay, and synthetic rubberized tubing, protective and decorative finishes for all industrial, automotive, marine, transportation, and household purposes, wire enamels, automotive maintenance specialties, adhesives, plasticizers, and pyroxylin solutions.

*Film:* Cellophane, cellulose bands, cellulose sponges and sponge yarns, cellulose acetate film, and polythene film.

*Grasselli:* Inorganic and organic acids and heavy chemicals, zinc and zinc products, fungicides, seed disinfectants, household sprays and dusts, insecticides, animal remedies, weed killers, adhesives, wood preservatives, and chemicals for the textile, water purification, paper, leather, steel and food industries.

*Organic chemicals:* Dyestuffs, tetraethyl lead, neoprene, ethyl alcohol, camphor, and other organic chemicals for the rubber, petroleum, textile, paper, perfumery and other industries.

*Photo Products:* Motion picture, X-ray, portrait, lithographic, and micro films, intensifying and fluoroscopic screens, photographic printing papers, processing chemicals, and television phosphors.

*Pigments:* Titanium dioxide, extended titanium pigments, lithopone, dry colors, copperas, titanium metal and "Erifon" flame retardant.

*Polychemicals:* Ammonia, urea, urea fertilizer compounds, methanol, high alcohols, solvents, organic acids, hydrogenated products, antifreezes, food chemicals, acrylic [fol. 524] plastics, polyvinyl butyral, polythene, cellulose nitrate and cellulose acetate plastics, nylon molding powder and monofilaments, polytetrafluoroethylene, and fabricated articles.

*Rayon:* Viscose rayon yarn, staple, and tire yarn, acetate rayon yarn and staple cellulose acetate flake and vinyl acetate, nylon yarn, staple and flake.

It is admitted that General Motors is the largest customer of the Fabrics and Finishes Department, that its purchases from that department exceed its purchases from any other department of du Pont, that the total purchases General Motors makes from this department exceed its total purchases from all other departments, and that the sales made to General Motors by it are a significant part of its total business.

General Motors admits its principal business consists of the manufacture of passenger cars and trucks, including various parts and accessories. Paragraph 14 of the Complaint alleges it is the largest producer of passenger cars and trucks in the United States, constituting 38% of the industry total in 1947 and 43% for the period 1937-1941. General Motors also manufactures diesel locomotives, ball bearings, roller bearings and a wide range of household appliances, such as electric refrigerators and heating systems. General Motors operations are conducted through the following four divisions:

*Car, Truck and Body Divisions*—Buick, Chevrolet, Cadillac, GMC Truck and Coach, Pontiac, Buick-Oldsmobile-Pontiac Assembly, Fisher Body and Oldsmobile.

*Accessory and Parts Divisions*—A C Spark Plug, Aero-products, Brown-Lipe-Chapin, Central Foundry, Delco Products, Delco Radio, Delco-Remy, Detroit Transmission,



Guide Lamp, Harrison Radiator, Hyatt Bearings, Inland [fol. 525] Manufacture, Moraine Products, New Departure, Packard Electric, Rochester Products, and Saginaw Steering Gear.

*Household Appliances*—Delco Appliance and Frigidaire.

*Engine Divisions*—Allison, Diesel Equipment, Cleveland Diesel Engines, Electro-Motive, and Detroit Diesel Engine.

United States Rubber admits it is the largest manufacturer in the United States of certain rubber products, other than tires and tubes. It conducts its business through five divisions: Tire; Mechanical Goods; Footwear and General Products; Naugatuck Chemicals; and Textile. General Motors and United States Rubber admit that United States Rubber is the principal supplier of tires and tubes to General Motors as original equipment on the cars produced and sold by General Motors.

General Motors admits that it sells truck and passenger cars to du Pont and United States Rubber.

Paragraph 18 of the Amended Complaint alleges, and the defendant manufacturers admit, that the assets, sales volume and net income after taxes for the year 1947 are substantially as follows:

	<i>Assets</i>	<i>Sales</i>	<i>Net Income</i>
Du Pont	\$1,438,000,000	\$ 783,000,000	\$120,000,000
General Motors	2,473,000,000	3,815,000,000	288,000,000
U. S. Rubber	348,000,000	581,000,000	21,000,000
Total	\$4,259,000,000	\$5,189,000,000	\$429,000,000

Three phases of alleged trade control, apart from those specifically considered under Fabrics and Finishes, Tetra-ethyl Lead, Kinetic Chemicals, Synthetic Rubber, Anti-freeze, miscellaneous products and Tires and Tubes, have [fol. 526] been accepted by the Government. They are (1) exchange of data, figures, and information on suppliers by certain officers and employees of du Pont and General Motors, including requests and inquiries by certain officers of du Pont on volume of trade conducted with General Motors; (2) the use of the General Purchasing Committee as a medium in alleged trade control; and (3) Fisher Body's

trade with du Pont, and the use of the discount and rebate system in purchases and sales between the defendant manufacturers with special reference to Fisher Body.

*Exchange of Data, Figures and Information on Suppliers by certain officers and employees of du Pont and General Motors, including requests and inquiries by certain officers of du Pont on volume of trade conducted with General Motors*

Defendants admit that on occasion and for various purposes du Pont employees requested and obtained information from General Motors as to its suppliers and certain statistics.

During the time Durant was President, J. A. Haskell, former Sales Manager and Vice President of du Pont, then a member of the Executive Committee of General Motors, kept du Pont informed of General Motors affairs in order to better discharge the financial responsibility du Pont had assumed. The Government's evidence concerning Haskell shows that he was in contact with du Pont sales executives.

On April 15, 1918 Haskell wrote to William Coyne, Vice President of du Pont Sales, reporting that a conference had been held with General Motors car division managers and that the manager of the Oakland Division, Warner, had felt "it would be desirable to get each of the divisions using artificial leather and other material such as Pyralin" [fol. 527] samples to see what was being used. Haskell said this would "pave the way for perhaps a more general adoption of our material" and suggested du Pont place itself in position to furnish Fabrikoid of required quality and consider how best to promote its use and adoption by the car companies. A copy of this letter was sent to Pierre S. du Pont and John Raskob. The text of this letter shows, the question under consideration was whether the General Motors Division should adopt the use of artificial leather for upholstering. In fact the General Motors Divisions did not adopt the use of artificial leather for upholstery but continued to use genuine leather.

Shortly thereafter, at the request of the sales agent for du Pont Fabrikoid, Haskell provided him with a complete

list of the firms comprising the General Motors organization.

In May 1918 Coyne in a letter to C. L. Petze, Director of Sales at du Pont Fabrikoid, reported on a discussion he had with Haskell regarding General Motors requirements for Pyralin sheeting. He stated that Haskell agreed with him that du Pont could not afford to jeopardize its business with other motor car companies by giving General Motors preferential treatment, but that Haskell thought "a continuation of the present policy should result in their securing practically all of the business with General Motors without jeopardizing its business with other manufacturers". In addition, Coyne stated Haskell asked he be kept advised periodically "as to the business shipped and booked with the different motor branches of General Motors and also advise him what proportion of our business is going elsewhere," that

"\* \* \* With this information in his possession he will be able to keep in touch with the relations between the [fol. 528] Arlington Works and the General Motors Company." (GTX 293).

On June 15, 1918, one of the sales managers at du Pont sent Haskell information regarding pyralin sheeting sales to General Motors and the amount of General Motors business placed with du Pont competitors.

Car division managers including Olds Motor Works, GM Truck, Cadillac, Oakland Car Co. made reports to Haskell on purchases of artificial leather and yardage for top and side material for the period 1917-1918. GM Truck reported that it purchased all its artificial leather from du Pont. Other divisions of General Motors reported that they had purchased varying amounts of artificial leather from du Pont and from several of its competitors. For example, Cadillac purchased the major share of its requirements from two competitors of du Pont, Pantasote Company and Hodgman Rubber Company. On July 12, 1918 Haskell received from du Pont Fabrikoid a report of General Motors yardage purchases for the month of June 1918.

J. S. O'Rourke of Oakland Motor in a letter to its manager, Warner, stated that purchases of artificial leather were being made from du Pont Fabrikoid and L. C. Chase



and that the product of the latter company was superior to du Pont's, but upon being advised of the trouble had with the du Pont product, du Pont had sent a representative to investigate and another shipment had been received on which O'Rourke would report. Oakland, according to O'Rourke's report, had purchased small amounts of artificial leather from du Pont and substantial quantities from L. C. Chase, and also had purchased top material and curtain material in substantial amounts from competitors of du Pont.

[fol. 529] The Vice-President of du Pont Fabrikoid wrote a letter to Haskell on July 3, 1918 stating that if they were ultimately to furnish all or the greater part of the top material for Chevrolet and General Motors cars it might be better to have the users agree upon a uniform shade and was writing to him because he thought Haskell would put the request into proper hands.

On November 18, 1919 du Pont Fabrikoid submitted a report to the directors of the company regarding a contract made to supply yardage to Buick. This report stated that prior to the company's acceptance of General Motors contracts, the Fairfield plant was to all intents and purposes a "one-customer" plant (Ford Motor Co.) and it had been difficult to interest manufacturers of higher grade cars; that following the contracts with Buick, Chevrolet, Oldsmobile, and Oakland, they were placed in the position of writing contracts in other directions "at considerably higher prices than" the General Motors contracts. In addition, Petze, the Vice-President, reported that Pierre S. du Pont had instructed that prices for the Buick contract be quoted as low as cost since he had been advised that due to du Pont's relations with General Motors competitors were quoting abnormally low prices.

In 1920 the manager of du Pont Fabrikoid's Statistical Bureau wrote to the Treasurer of General Motors stating that he was not receiving "the statistical information formerly received from Detroit regarding purchases of Leather Substitutes and Rubber Cloth by the several units of General Motors" and asked whether there was any reason why this information which was statistically valuable to du Pont could not be continued. Later the same year the manager wrote to Haskell acknowledging receipt of data from Olds Motor Works on its purchases of Leather

Substitutes, Rubber Cloth and Mohair top material from December, 1919 to May 20, 1920 and expressed his appreciation to Haskell for securing the information. [fol. 530]

Pierre S. du Pont, then President and Chairman of the Board of General Motors, inquired of Lammot du Pont, Vice-President of du Pont, whether General Motors was taking its entire requirements of du Pont products from du Pont. Lammot du Pont on August 10, 1921 replied that they were not, listing seven divisions of General Motors and covering purchases of paint, varnish, fabrikoid, rubber cloth and transparent pyralin, stating where du Pont was enjoying all the business, where "no reason" appeared for withholding business, and "good reason" when withholding of business from du Pont was logically explicable. Pierre S. du Pont replied stating it appeared from the summary that Flint paint and varnish and fabrikoid were doing pretty well with General Motors and "that with the change in management at Cadillac, Oakland, and Oldsmobile", he thought du Pont should be able to sell substantially all the paint, varnish and fabrikoid products needed, further he thought a "drive for the Fisher Body business" should be made. Lammot du Pont replied that there appeared to be no real reason why Fisher body had not used Flint Varnish Co. products.

R. R. M. Carpenter of du Pont on October 7, 1921 addressed a letter to Pierre S. du Pont, President of General Motors, stating that while he knew that he personally could take no action, he wanted to know whether he was opposed to the policy of presenting to General Motors the subject of entering into negotiations to supply all the artificial leather and rubber goods on a mutually advantageous basis. He suggested this for two reasons: that du Pont was at a disadvantage owing to its connection with General Motors since other artificial leather companies were quoting "ridiculous prices" to General Motors believing that "du Pont would take all the business anyway" which forced [fol. 531] du Pont to accept the business at a loss; and if du Pont could secure all the artificial leather and rubber goods business, their plant could be operated on an economical basis resulting in lower costs which would operate to General Motors' benefit. There is no evidence that any arrangement of the kind described by Mr. Carpenter was ever made. In 1923 a somewhat similar proposal was made

by du Pont to the General Purchasing Committee of General Motors and was rejected.

During the latter part of 1922, Lammot du Pont, Chairman of Flint, directed a letter to Fred Fisher, President of Fisher Body. This letter stated that in view of the stock ownership relation between Fisher Body, Flint Varnish, General Motors and du Pont, it would seem that Flint should be enjoying a large part, if not all, of Fisher Body's paint and varnish needs unless a good reason existed for not having it. He assured Mr. Fisher that Fisher Body orders would be given preference over those of any other customer, except General Motors, whenever contract conditions were equal between Fisher and Flint's other customers.

In this same period, Pierre S. du Pont, President of General Motors, wrote to Lammot du Pont, a member of the General Motors Board, stating he was considering Fred Fisher, already a member of the Board, as a member of the Executive Committee. As the reason for suggesting the membership of Fisher, he stated that Fisher Brothers had brought up the question of their future relations with General Motors, expressing a desire for closer association, and requesting consideration for an exchange of Fisher Body common stock for General Motors shares. He stated he had the approval of ten directors for such closer association with General Motors, and wanted the opinion of the members of the Board on adding Fisher and C. S. Mott [fol. 532] to the Executive Committee. At this time General Motors owned 60% of Fisher Body, the Fisher brothers owned 20%, 10% was owned by interests friendly to Fisher, and the balance was owned by others. Pierre S. du Pont stated that a closer association and closer cooperation between the two corporations would be of great benefit. Lammot du Pont replied, approving, and stating in addition that such closer association would be desirable, suggesting merely that it might be advisable to hold the election of Fisher coincident with the arrangements on consolidation so it would not appear that an important General Motors executive was personally interested in a controlled subsidiary. There is no evidence that the proposal to place Fred Fisher on the General Motors Executive Committee was related in any way to the effort of Lammot du Pont to persuade the Fisher Body Company



to use the products of the Flint, Varnish & Color Works.

Pursuing his initial effort to secure the Fisher Body business, Lammot du Pont again wrote to Fred Fisher on the subject of paint and varnish and again referred to the "close stock relationship of the companies", making it seem "ridiculous that no business should be done between Flint and Fisher." Eventually an exchange of telegrams took place between the two and a meeting was set between them. Lawrence Fisher, who met with Lammot du Pont as the result of this exchange of telegrams, testified that the Fisher Body Division never did use the products of the Flint, Varnish & Color Works to any significant extent.

During the year 1921 Felix du Pont, Vice President of the Cellulose Products Department of du Pont, wrote to its Executive Committee reporting that the sales department was securing for Fairfield all the General Motors orders for rubber coated fabrics. He stated that both the sales and production departments had concentrated on General Motors and that today Fairfield was "solid" with General Motors, that with the "community of interest" existing between du Pont and General Motors he thought a plan should be worked out to make this a permanent arrangement so that the profits from manufacture could be retained. He stated that the latent resentment of the General Motors units encountered by du Pont in selling had been overcome since du Pont had started a fixed program of giving the best product, which several of the General Motors Divisions had considered to be equal to or superior to those of competitors.

On February 12, 1923, W. P. Allen, General Manager of the Cellulose Products Department, reported to the du Pont Executive Committee on the present status of General Motors relations with respect to Duco, Fabrikoid, and auto top material. He reported that several of the car divisions had expressed a keen interest in Duco but that they were unwilling to come to a decision until after extended experimentation and suggested that in view of this an aggressive campaign with other leading motor car manufacturers to test the material, who were anxious for du Pont to start experimental work with them, be adopted even though du Pont felt "under considerable obligation to General Motors in the development of this material on account of the assistance they had rendered". Allen stated the General Mo-

tors units were being furnished all leather substitutes and top material by Fabrikoid.

During 1923 Lamot du Pont wrote H. H. Rice, Manager of Cadillac, asking whether Flint could supply varnish to it if they could manufacture a varnish as good or better than that presently used by Cadillac. Rice replied, indicating Cadillac was already using Flint's primer color and finish varnishes on Cadillac chassis, but as to enamel Cadillac was not ready to make a change since Flint's enamel [fol. 534] had not as yet passed the tests. Lamot du Pont expressed the hope that a modified Flint enamel would soon prove satisfactory. Later he again wrote Cadillac, stating he had heard nothing from Rice and that it was to the advantage of both General Motors and du Pont to have Flint products used 100%.

To this Rice replied that Cadillac was anxious to use Flint products but was cautious in changing paints only after long trial and felt that as Flint material proved itself it was expected to be adopted by Cadillac.

There are many letters in the record involving requests made to John L. Pratt by du Pont employees for information and assistance covering the years 1922-1934; Pratt had a personal feeling of gratitude toward du Pont for what it did in saving Durant and General Motors from bankruptcy in 1920 and was inclined to do favors for his friends when, as he testified, it involved no injury to General Motors.

John L. Pratt had been an employee of du Pont in 1905 and met Durant in 1917, doing some personal work for him. In 1918 he was in charge of du Pont's motor development section, which was doing some research for Durant. In the Spring of 1919 Durant asked Pratt to work for him. Pratt left du Pont in the Fall of 1919 and became Durant's general assistant. In late 1922 he took over Alfred Sloan's position as Vice President in charge of the Accessories Division Companies of General Motors. He became a General Motors v-ce-president and director in 1921, a member of the Executive Committee in 1924, and was chairman of the General Purchasing Committee from 1924 to 1929.

On October 23, 1922, MacGregor of the du Pont Paint Department, wrote to Pratt for assistance regarding getting a share of the up-keep paint for Hyatt

Roller Bearing Company, since he had been unable to secure any orders from Weiss, its purchasing agent. Pratt replied stating he had written to the General Manager of Hyatt to look into the situation and asked whether the quality had been improved so that du Pont had a paint of the quality, price and service equal to other manufacturers which he could "conscientiously recommend" to General Motors, and if so he would gladly do so. The General Manager of Hyatt replied to Pratt enclosing a copy of the purchasing agent's memorandum which stated that Hyatt had been using du Pont paint except the undercoat, which several years ago proved to be unsatisfactory, but since receiving the General Manager's request he had inquired further into it and "regardless of the wishes of the Paint Department" would purchase the du Pont product which he felt would serve the purpose equally as good. The dollar amount involved was about \$1500 per year.

On March 22, 1924 Harrington of du Pont's Dye Stuff Department, who had known Pratt for about eighteen or nineteen years wrote to him about the fading of Cadillac upholstery and inquired whether du Pont could possibly offer its service to Fisher Body as to dyes. In his reply Pratt stated that "the Fisher Body outfit is pretty difficult to deal with" and did not know how to advise Harrington in approaching them. Pratt testified that he talked with Fisher about the problem. Five years later, on January 29, 1929, Harrington again wrote Pratt that General Motors frequently rejected fabrics because of the dyes and inquired whether it would be helpful if du Pont offered the services of its dye laboratories to General Motors. Pratt replied he thought it a "constructive" suggestion and sent Harrington's letter to Fisher, head of Fisher Body, and asked that if he agreed he would be glad to make the [fol. 536] arrangements. Fisher replied that they didn't dare "dictate" to the manufacturers regarding dye.

In August 1924, Z. Phelps, head of the Development Department of du Pont wrote Pratt whether he could conveniently find out the total quantity of ethyl alcohol used by General Motors, because du Pont wanted to find an outlet for a small surplus instead of selling it on the open market. Pratt replied he would obtain the information but that General Motor's requirements were small. In reply to



Pratt's inquiry, James Lynah informed him that 75,000 gallons a year would be required by General Motors and 50,000 for Fisher Body and this information was transmitted by Pratt to Phelps.

In 1925, H. F. Brown, Vice President of du Pont, wrote to Sloan informing him that du Pont and Kentucky Alcohol Corporation had formed Eastern Alcohol Corporation to manufacture industrial alcohol; stated that a news clipping had appeared concluding that glycerin had an advantage over alcohol as an antifreeze; that Kentucky Alcohol wanted to know whether General Motors was giving their official approval to such publicity, and, if so, "that their attention be called to the interest which the du Pont Company will have in the future" in the manufacture and sale of alcohol. To this Sloan replied that as a corporation, General Motors could take no position in the matter and must be guided by the facts in the case; that alcohol had been discovered to have a bad effect on Duco finish, used extensively by General Motors units, and therefore he would out of necessity favor glycerin.

In 1926, Pratt wrote to F. LaMotte, Director of Purchases at du Pont, that after study General Motors had concluded that Prestone, an antifreeze manufactured by Union Carbide, was the most satisfactory mixture on the [fol. 537] market and that General Motors was recommending its use. Thereafter, Sloan wrote to J. B. Jackson of General Motors Research Laboratory requesting information regarding the amounts of glycerin and alcohol used in antifreeze mixtures and their respective merits. The Laboratory report specified several points favoring glycerin and Pratt conveyed the information to du Pont.

In an exchange of letters between Sloan and the Chief Engineer of Chevrolet, Sloan suggested that the Chevrolet instruction book simply state facts on antifreeze and omit the words "are to be preferred". The Chevrolet instruction book eliminated the paragraph expressing preference for glycerin.

In October 1926 du Pont began production of ethyl alcohol. General Motors was approached as an outlet and was also requested to ascertain to what extent glycerin antifreeze might cut into the use of alcohol as an antifreeze. In addition, Phelps of the du Pont Development Department,

asked Pratt to find out whether the shortcomings of glycerin as an antifreeze, as reported by du Pont, could be verified by the General Motors laboratory.

James Lynah, the Executive Secretary of the General Motors laboratory, reported to Pratt in November 1926 that as alcohol-water solutions were recommended for any class of service, and in view of the indifference toward Prestone, it was evident that General Motors divisions would largely employ the alcohol solution as an antifreeze. Lynah further stated that he had written Phelps regarding price considerations for volume purchases, and if that could be obtained, he would ascertain the requirements for the divisions.

Phelps again wrote Pratt stating some of the General Motors divisions, particularly Cadillac, were recommend- [fol. 538] ing glycerin instead of alcohol, although Buick recommended the use of alcohol. In the following month Cadillac recommended that only alcohol be used.

During this period when du Pont was seeking General Motors endorsement of alcohol for use as an antifreeze, glycerin manufacturers such as Armour & Company were similarly seeking General Motors endorsement of their product for use as an antifreeze.

In December 1926 Sloan advised Pratt that the General Technical Committee of General Motors, approved by the chief engineers of the car divisions, had decided on the policy of pointing out there were two antifreeze materials—glycerin and alcohol—and that the sole disadvantage of alcohol was that when spilled it would disfigure the finish and that glycerin was satisfactory if used in strict accordance with the manufacturers recommendation. In December 1926 Sloan wrote Pratt that he had looked over the file of correspondence Pratt had with du Pont on the question of alcohol and glycerin, and that with the decisions reached by the General Technical Committee, the new instruction books would contain a statement setting forth the advantages and disadvantages of both. The record shows that du Pont attempted in 1926, 1927 and 1928 to sell ethyl alcohol to General Motors. In each of these years its bid was rejected by General Motors Purchasing Committee.

On January 9, 1926 James Elms of the Paint and Varnish Department of du Pont wrote to Pratt about the Delco-

Light Company, one of the accessory companies of General Motors. He stated that Delco-Light had been purchasing rubber and finish varnish from Lowe but that Lowe had been unable to solve a paint problem and du Pont had been called in; that the problem was solved and du Pont received an order from Delco-Light but before delivery it had been [fol. 539] cancelled in order to give Lowe another opportunity. Biechler, General Manager of Delco, wrote Pratt that Lowe had come up with a satisfactory enamel, but continued that the manufacturing, chemical and purchasing divisions felt they would be in better hands to deal with du Pont than Lowe and would be sure to advise him of this within a few days. To this Pratt replied that in view of the sacrifice du Pont made for General Motors in 1920 and 1921, he felt where "conditions are equal from the standpoint of quality, service and price, the du Pont Company should have the major share of those items" but that this was his personal sentiment and that Biechler should use his good judgment keeping in mind the prime consideration was what was best for Delco. Pratt testified he invariably insisted that his personal sentiments were not to control and the division managers were to make their own decisions, but that he personally thought in the above situation du Pont had not been treated fairly. Du Pont made one sale of the enamel which was the subject of Elms' inquiry and thereafter a competitor, The Kay & Ess Company, took the business from du Pont and has ever since retained it.

AC Spark Plug Division of General Motors wrote a memorandum on April 15, 1926 to Curtice of General Motors stating that du Pont had been giving very poor service and it would be to the advantage of AC Spark Plug to change their source of supply. The President of AC Spark Plug, Albert Champion, wrote Pratt enclosing that memorandum stating it was being brought to his attention because naturally they wanted to do business with du Pont. Pratt sent the letter to Moosmann at du Pont asking how he should reply. Moosmann responded he would have the situation corrected. Some months later Champion wrote to Pratt enclosing a memorandum from one of his men who desired direct contact with Parlin to work out a technical [fol. 540] problem. Pratt sent this to Moosmann. The



matter was solved and Pratt thanked Mossmann for giving Champion the kind of service he should have.

On October 28, 1926, Lammot du Pont, President of du Pont, wrote to Sloan that du Pont's Paint Department was upset because of the difficulty of getting accurate information on the probable requirements of General Motors units for Duco and inquired whether there was any objection to giving production schedules he received from the General Motors Finance Committee, of which he was a member. Pratt, in Sloan's absence, replied stating the figures should not be given and upon his return Sloan confirmed this decision. Lammot du Pont pursued the subject further with Sloan and Sloan replied that in the meantime, until he looked into the matter, he had no objection to Lammot du Pont giving the production schedule figures to his paint man, confidentially. Pratt did not approve and wrote to Sloan that du Pont should not be put in any different position than any other supplier from whom General Motors was buying many times the amount purchased from du Pont.

On May 1, 1926 Phelps of du Pont asked Pratt whether he could conveniently get the approximate quantity of oil cloth and black enamel used by General Motors as du Pont was considering manufacturing oilcloth. Pratt sent the inquiry to Lynah and transmitted the information received from Lynah to Phelps. Pratt testified there were many inquiries along these lines not limited to du Pont and the committee customarily furnished the requested information as it was always interested in new potential suppliers.

Lammot du Pont in September 1926 wrote Pratt on behalf of Jack Sproul, a son of the Pennsylvania governor, who was with the General Refractories Company, about [fol. 541] giving that concern a chance at the fire brick business of Remy Company, a General Motors accessory division, stating that it would be greatly appreciated if some business could be turned his way. Pratt replied that Sproul's effort to use influence to get business from General Motors would not work, that General Motors purchasing departments tried to get the best for General Motors, that suppliers had to establish the merits of their product and it was not the duty of the purchasing departments to give special consideration to any firm.

Again in 1931, Lammot du Pont wrote to Pratt that the anthracite coal people had protested to du Pont regarding General Motors entering into the manufacture of oil burners. Lammot du Pont stated that the outlook for du Pont's business in the anthracite field was jeopardized, that though he was convinced that du Pont could not dictate to General Motors with respect to their going into the oil burner business nor could the advantages or disadvantages to du Pont be considered as a factor in General Motors' decision, that General Motors might be injured by going into that business. Pratt replied that because a "poorly led association of coal producers did not recognize that the world progresses" and takes an unsound position was no reason to discontinue that activity. Pratt continued to recommend the manufacture of oil burners by General Motors, and it entered that field and is still one of the large manufacturers of oil burners.

During 1934 Pratt wrote to Fred G. Hughes, General Manager for New Departure Manufacturing Company, a General Motors subsidiary, that some of his friends in du Pont had called him about the National Ammonia Company, a du Pont subsidiary, having lost the ammonia business they had formerly enjoyed with New Departure although their price and service were in every sense commensurate and stated he would be interested to know the reason. Hughes replied that the du Pont product had proved unsatisfactory, that the Barrett Company product which they used gave no trouble, that the truck division had asked New Departure to buy from Barrett as it was a large user of General Motors trucks, and further he did not know National Ammonia Company was a du Pont subsidiary, but did not believe that should make any difference. Pratt wrote to National Ammonia enclosing Hughes letter and said it might be more desirable and do the "desk warmers" in du Pont some good to contact General Motors units more closely to see whether or not their product was suitable. Pratt testified that Hughes' letter showed that du Pont had not even contacted New Departure and did not know their ammonia was unsatisfactory. Pratt wrote Hughes thanking him and stating that his reason for buying from Barrett was entirely satisfactory.

The evidence relating to the exchange of data, figures,

and information on suppliers by certain officers and employees of du Pont and General Motors, viewed as a whole, establishes that the du Pont Company was interested in selling its products to General Motors and made efforts to do so; a fact which is not denied by the defendants. The evidence, both oral and documentary, does not establish, however, that there was any agreement between the two companies that required General Motors to buy all or any part of its requirements from du Pont. Nor does the evidence establish that du Pont dictated or controlled the purchasing policies and practices of General Motors or sought to dictate or control those policies and practices. In fact, the evidence shows that General Motors exercised complete freedom in determining where it would purchase its requirements of products of the kind that du Pont manufactured.

[fol. 543] *General Purchasing Committee (1923-1931)*

This committee was created at the suggestion of Sloan and was to enable General Motors to compete with Ford, which had approximately 55% of the business in 1921. James Lynah became its Secretary. After the establishment of this committee, Lynah conducted a study to determine what items might be common to some of the divisions and to pool the purchase of such items. Lynah reported a list of thirty-two possible items to Sloan, Chairman of the General Purchasing Committee. Only three of the thirty-two items listed were products manufactured by du Pont—imitation leather, top fabrics and paints.

In February 1923, Allen, General Manager of the Cellulose Department of du Pont, in a report to its Executive Committee on the subject of Fabrikoid and top materials, referred to a meeting in Detroit at which he, Lynah, the Assistant Director of the Purchasing Committee, Pratt, a member of that committee, and the purchasing agents for Chevrolet and Cadillac, met; that he discussed with them the great risk inherent in du Pont covering the grey goods requirements for six months and in turn selling the finished product on a requirements basis without protection against a slump in the motor industry; that their reaction was that it was a risk which other manufacturers in the same line assumed. The question of an additional source of supply was discussed and the conclusion reached that General



Motors units should purchase 20% of their leather substitutes and top material from one of du Pont's competitors leaving 80% to du Pont at prices determined by competition.

The Government has placed considerable emphasis upon this document and others written at about this time which [fol. 544] relate to General Motors' decision to limit its purchases of fabrikoid and top materials from du Pont to not more than 75% or 80% of its requirements. GTX 406 and related documents reflect the imposition by General Motors upon du Pont of the two-source-of-supply purchasing policy. Lynah testified that early in 1923 the General Purchasing Committee began to put that policy into effect wherever it found that all the Divisions were buying their requirements from the same supplier. The records of the Purchasing Committee corroborate his testimony. Since Allen, in GTX 406, was reporting to his superiors a substantial loss of business, it was natural that he should attempt to soften the blow by expressing his confidence that no further losses need be anticipated. Lynah's testimony, as well as the other evidence of record—both testimonial and documentary—relating to du Pont's varying success thereafter in the sale of its fabric and top materials to General Motors indicate that there was no agreement between Allen and the General Motors officials; and that his confidence about retaining 80% of General Motors business was based upon a belief that du Pont's quality and service were superior to those of any competitor.

On July 18, 1923, William Coyne, Vice President of du Pont, wrote to Pierre S. du Pont, reporting that for the last six months of 1923 du Pont had lost 25% of the Chevrolet top business although the price and quality of the du Pont material was as good as that of competitors; that he had been told Mr. Knudsen had Pierre S. du Pont's permission to give 25% of the business to O'Bannon Corporation which was in the hands of receivers, and wondered whether he could tell him the reasons for this so that the next time 100% of the Chevrolet business could be procured. Pierre S. du Pont replied stating that he thought the "two source of supply" idea was foolish, but that he did not think it advisable to interfere in any case [fol. 547] unless the "Executive Committee of the company outlines a policy advocating one source of supply",

that as to the policy of General Motors he could not refuse permission to Knudsen to divide his orders for fabrikoid. He later sent a letter to Knudsen referring to the Chevrolet two source policy and expressing that he firmly believed that one good source of supply, properly maintained, was more reliable than two sources, but stated that Knudsen had no doubt given personal consideration to the Chevrolet matter and continued,

"I find no fault with the principle which would apply as well to other manufacturers as to the du Pont Company." (GTX 410).

The minutes of the General Purchasing Committee on September 27, 1923 sent to all division purchasing agents of General Motors on the subject of leather substitutes and rubber coated fabrics stated that it was shown du Pont supplied the larger portion of General Motors requirements of these items, that on account of constantly increasing consumption, sound judgment demanded maintenance of more than one source of supply, that du Pont had been afforded the opportunity of meeting competitive prices and that competitors now believed that no matter what price they put in they would receive no business. It was agreed:

"that on an equal competitive basis at least 25% of the business should be placed with sources other than the du Pont Company. That the du Pont Company be notified that they should make their best price in their initial offer and not count upon having the opportunity to meet competitive prices; and that on the basis of competitive prices the Divisions were free to place their business to the best advantage. \* \* \* " (GTX 412).

[fol. 546] The minutes further directed the secretary to advise C. L. Petze, at du Pont's Newburgh plant regarding their decision. Lynah testified that it was he who brought up the subject of more than one supplier of imitation leather and rubber coated fabrics and further testified that there was no understanding that du Pont would have any particular percentage of the business, that being left to the division managers; that the instruction to advise du Pont of the decision was not unusual and was done with all large contractors.

From 1923 to 1931 the committee negotiated 709 contracts. Only fourteen were with du Pont, and thirty were with du Pont competitors. The committee rejected a total of 342 contracts, of which thirteen were proposed by du Pont or were for material du Pont was in a position to supply to General Motors. The committee authorized 147 contracts before any contract was made with du Pont.

Lynah testified that anyone in the corporation could suggest an item for consideration by the committee as a contract possibility and if worthwhile a questionnaire would be sent to the divisions from the committee asking for their annual consumption of the item, specifications under which they purchased, prices and sources of supply. If the item was approved by the committee after return of the questionnaire, the committee would notify the division that it intended to ask for bids and would be given an opportunity to suggest bidders. After bids were received, the committee would decide whether to contract for the item and with whom. If a contract was negotiated, the interested divisions were notified and required to participate unless specifically exempted, and any objecting division was excused from participation if it could not be persuaded or its objection "ironed out".

[fol. 547] The rule against a division purchasing outside of a general contract was contained in a letter which Sloan sent to Pierre S. du Pont, John J. Raskob, C. S. Mott and Fred J. Fisher, as follows:

"\* \* \* as Chairman of the Committee I wrote to the Purchasing Agents of all Divisions and told them that they were not to be permitted to purchase outside of the General Purchasing Committee's contracts and indicated that anything of that kind that was done would certainly have the disapproval of the Corporation and in a way would not be tolerated." (GTX 458).

The committee frequently referred specification problems to production experts with the view of ascertaining whether standardized specifications were feasible on some of the common items used by the divisions, where the specifications varied. Lynah testified that this was one of the important functions of the committee.



He further testified that the committee followed certain general rules in carrying out its work; such as (1) no general contract was developed unless the item was used by more than one division as there would be no price advantage unless there was increased volume, (2) no general contract was developed unless it would result in substantial savings, (3) where possible the committee desired more than one source of supply, (4) contract prices were to be kept confidential to protect sellers as the General Motors volume would justify lower prices than the seller could allow a customer purchasing in less quantity. These rules were adopted eighteen months before the committee made any contract with du Pont.

The first items reached by the committee which were manufactured by du Pont were fabrikoid and top or rubber coated fabrics and no contract for these items was [fol. 548] ever entered into by the General Purchasing Committee. In the Fall of 1923, twenty-one months after the formation of the committee, the subject of paints was considered and was referred to the Paint and Enamel Committee as there were no standards established for that material. No contract was entered into by the General Purchasing Committee requiring purchase of paints and varnishes, although du Pont requested such a contract. After quantity discount, a two year contract supplying requirements of seller's make was made.

The General Purchasing Committee rejected contracts with du Pont because of lack of volume on photographic supplies, maintenance paint, floor paint, stripping materials and thinners, machinery enamels and aluminum spar mixing liquid, and because of lack of savings rejected contracts with du Pont on pyralin, leather substitute and rubber coated fabrics, denatured alcohol, antifreeze material, antifreeze methanol, varnish and oil type materials.

Lynah testified that once the committee decided to contract for an item, selection of the supplier was premised only on "quality, service and price" and in 1928, answering a Mr. O. H. Briggs, Sales Manager of du Pont-Pathe Film Manufacturing Company, who had asked him to specify the use by General Motors of du Pont photographic film, stated:

"In the making of our purchases, we believe that each transaction should stand on its merits and we pre-

sume that the company buying films for our use is guided by this same principle and that if the quality of your product and service, consistent with prices quoted, are the best he can obtain, he will buy from you." (GM 194).

Early in 1924 the committee developed the idea of a sliding scale discount contract permitting a supplier to fix [fol. 549] his base price on volume of business he had previously enjoyed and for increased volume offer an additional discount. Many contracts were made by the committee on this basis and the divisions were encouraged to participate in them.

In April 1924 G. H. Kerr, a du Pont executive in the Explosives Department, wrote to Pierre S. du Pont, Chairman of the Board of du Pont and General Motors, stating that about two years ago he conceived the idea that it might be of value to du Pont to use their purchasing power for the purposes of influencing concerns from whom they purchase to purchase in turn from them; that if the purchasing power of General Motors were added to that of du Pont, and if used intelligently, it would result in securing large business for du Pont; that this was proved in the Acid and Heavy Chemicals Division of the Paint Department of du Pont which received consideration from Bethlehem Steel because of the purchases General Motors made from them. Pierre S. du Pont wrote to Sloan asking him to talk the matter over with Kerr saying that "one of our representatives was with the Bethlehem Steel people and happened to see their file card in which they classified du Pont and General Motors as one." Sloan replied to Pierre S. du Pont's letter stating the suggestion was constructive and referred it to the General Purchasing Committee. Lynah and a Mr. Kother subsequently saw Mr. Kerr.

About a year previously, Pratt, Vice President of General Motors, wrote to R. R. M. Carpenter that it had recently come to his attention that a number of the automobile companies outside of General Motors were considering their purchases from the General Motors Accessories Division and from du Pont as purchases from "one interest" and that consequently to have a better view point when considering those outside companies it might be helpful to get the entire volume of sales that du Pont and

[fol. 550] General Motors make to the outside companies. He procured the sales figures from the Accessory Division and Parts Companies of General Motors and obtained from Carpenter the 1922 figures on sales du Pont made to outside companies.

On July 2, 1924 the General Purchasing Committee reported that while there are cases which might be profitably dealt with on a reciprocity basis, there were so many complications and difficulties involved that it would be best "to stand on our own equities and require our suppliers to do so"; but that the divisions were at liberty to treat such cases individually as the situation might require.

Lynah advised Kerr on August 13, 1924 that the information relating to Manhattan Rubber Company and Nairn Linoleum Company would be secured since it was available without any expenditure of time on the part of the divisions, but stated:

"It is understood that information in connection with our purchases such as I have tentatively agreed to endeavor to secure for you, is not to be used to influence our sources to place business with the du Pont Company, or to place the du Pont Company in a preferred position as a source because of its interest in General Motors.

"There would be no objection to your advising our sources that the du Pont Company holds a large interest in General Motors and solicit their earnest consideration on this account." (GTX 538).

The following month, the General Purchasing Committee determined that as a practice General Motors could not undertake to supply information showing the volume of business done with any suppliers to the du Pont Company [fol. 551] but "that in special cases, upon request by the President of the du Pont Company to the President of General Motors, the situation would be properly dealt with" by the presidents; and, that it was believed General Motors' buying position "would be prejudiced in that suppliers who had been influenced to place business with the du Pont Company through their relationship with General Motors might reasonably expect" General Motors to place business with them.



On September 6, 1924, excerpts of the committee's meeting were sent to Irene du Pont by Lynah with a letter wherein he stated the reciprocity practice had been discussed by the committee at two meetings and

"as we are following a very definite policy in General Motors of having our Sales activities and Purchasing activities maintain their own status without the one influencing the other, it was felt that to supply the du Pont Company with the information requested by Mr. Kerr would convey the impression that the du Pont Company could influence General Motors' purchases." (GTX 539).

The General Purchasing Committee agreed that it could not undertake to supply to du Pont information showing the value of business done with its suppliers. Irene du Pont answered that, of course, any action which General Motors took was entirely its own affair and du Pont should not be critical, but that reciprocity yielded excellent results.

That same month, Pratt wrote to the General Manager of the Paint Department of du Pont, who was anxious to secure an acid contract with Bethlehem Steel:

"It is practically impossible for me to give you any information as to where our steel requirements will be [fol. 552] placed from month to month, as our Purchasing Agents in the various divisions do not know themselves until a day or two before the order is placed." (GTX 542).

that one of the divisions was buying extensively from Bethlehem during the first six months of the year and would continue buying according to their needs if "Bethlehem's price and quality continue to be favorable in comparison with other companies."

The only special occasion in which the President of du Pont requested information from the President of General Motors occurred in 1928. In January 1928 Lammot du Pont wrote to Sloan that the du Pont Explosives Department was confronted with the loss of its trade through the use by a competitor of a reciprocity argument; that du Pont desired to supply Jones & Laughlin Steel and

Inland Steel with figures as to purchases from them by du Pont and its affiliated companies; that General Motors 1927 purchases from Jones and Laughlin and Inland were requested; and stated:

"It is, of course, understood that in presenting these figures to our customers it will be for the purpose of retaining trade now enjoyed. There will be no promise or assurance that these purchases will continue or that the du Pont Company's efforts in the past have caused General Motors to place this business." (GTX 543).

Sloan sent the letter to Pratt stating that on general principles he was not keen about this matter but it was the first time it had happened and was not very important since he did not believe General Motors was buying to any great extent from these companies. Pratt replied to Sloan indicating that little was bought from Inland but a great deal was bought from Jones & Laughlin, and continued, that as [fol. 553] Chairman of the Purchasing Committee, he had invariably refused

"to give the du Pont Company any information which they might use in any way to influence their customers to think that the du Pont Company in any way could influence General Motors Corporation in buying their materials and supply because the particular customer bought from the du Pont Company. Personally, I think it is very necessary that we have a definite policy in this respect, especially in connection with our dealings with the du Pont Company (who are working on the principle of reciprocity while General Motors is not), as I am afraid there are instances where du Pont salesmen have implied that they could influence General Motors in choosing its source of supply as other than the three fundamentals of purchasing, namely, quality, service and price. \* \* \*" (GM. 201).

He continued stating he had been guided only by the following considerations:

"(a) The du Pont Company in fact has no more right to such information than any of the other 60,000 stockholders in General Motors \* \* \*

(b) If we supply the du Pont Company with the amount of our purchases from any company they wish to sell, and their salesmen are allowed to display this information to their prospective customers, it necessarily follows that the impression would be made upon the customer that General Motors wishes that particular supplier to consider in dealing with General Motors its relationship with the du Pont Company, or otherwise General Motors would not supply the du Pont Company with the information.

[fol. 554] (c) \* \* \* The principle of reciprocity must imply that you are giving something in order to get something. \* \* \* If there is any thing to be gotten our position should be to see that it is gotten for General Motors Corporation rather than the du Pont Company.

(d) If our Purchasing Agents know that we are willing to allow the du Pont Company to use our purchases to influence du Pont sales, can we expect them to always resist giving weight to other considerations than the best interest of General Motors in placing their orders?

(e) I think that we are all pretty well agreed that we could not afford to use the principle of reciprocity in General Motors purchases. If that is true we certainly can not allow anyone else to imply that they can use General Motors' purchases for the purpose of reciprocity.

In the particular case under consideration I see no difference in Mr. du Pont using the information he requested in order to retain business than for him to use same to get business. In my judgment, if the du Pont organization are not able to maintain the business they have through the quality of their goods and the service they render, then they should not be allowed to retain it because General Motors' purchases goods from that particular customer of the du Pont Company. The steel companies must know the amount of business they are doing with General Motors Corporation, and if being reminded of this volume of business by the du Pont Company results in the steel companies being willing to do something for the du Pont Company



that they would not have done without such reminder, [fol. 555] then we in General Motors are not getting — all we should from the steel companies.” (GM 201).

He continued that since Sloan had promised the information to Lammot du Pont, it would be supplied but felt it was a very bad precedent to establish. Pratt testified concerning this letter that his seeming inconsistent attitude toward Mr. du Pont and toward “some of the small men in the du Pont organization” regarding exchange of information was that when Mr. du Pont was involved, General Motors was establishing a policy and when dealing with employees of du Pont it was on an individual basis.

Other than the single incident in 1928 referred to above, the Purchasing Committee Resolution of 1924 appears to have been a dead letter. The Government has offered no proof that any information was passed to du Pont since that time. Sloan could recall no instance and the last two presidents of du Pont not only could recall no such instance and also were unaware of the Resolution until the trial of this case. The Court is satisfied on the basis of all of the record that the Resolution never was carried out and does not represent the ‘parties’ practice—certainly not in the last twenty-five years. Accordingly, the matter deserves no further attention.

The General Purchasing Committee was abolished in 1931 and no centralized purchases of products have been made since that time.

The evidence of record does not establish, or tend to support, the Government’s contention that the General Purchasing Committee was created and operated as an instrumentality to carry out the desires of du Pont. In fact, actions taken by the Committee were seriously detrimental to du Pont in a number of respects. For example, the Committee initiated the two source of supply policy in connection with artificial leather and top materials; it [fol. 556] refused to make a contract with du Pont for pyralin; it encouraged the early development of competition for Duco, and refused to renew du Pont’s requirements contract as soon as a competitive lacquer was available.

The Committee, the record shows, was created, operated and ultimately terminated in 1931 to serve General Motors

interests—not du Pont. Relations with du Pont were but a minor aspect of its activities, and it dealt with du Pont only in the same manner as it did with other suppliers. All of its work is now ancient history and the evidence with respect to its activities has but limited probative value. But to the extent it deserves consideration it supports the position of the defense rather than the Government.

*Fisher Body; and use of the discount and rebate system in purchases and sales between the defendant manufacturers with special reference to Fisher Body.*

Lawrence Fisher testified that Mr. Durant, and Mr. Chrysler, who was associated with him, had stated that General Motors would have to expand their capacity because of the increased public demand for closed bodies, that General Motors was not organized to do that, and needed a source of supply for such bodies, that they wanted the Fisher brothers to agree to come into General Motors for that purpose. In the negotiations, it was agreed that General Motors was to purchase from Fisher Body such of the closed body business as Fisher Body "was able to handle now and in the future". The affiliation was reported to the stockholders of both companies, each stating that the association of the two assured both a continuity of demand and supply for the Fisher Body product.

The voting trust agreement made in 1919 between Fisher brothers and Durant also provided that General Motors acquire 60% interest in Fisher Body and the majority of [fol. 557] Fisher Body stock was placed in a trust for five years with the right to vote same placed in the hands of four trustees—two representing Fisher Body interests and two representing General Motors. At the same time the six brothers contracted to remain with and direct the operations of Fisher Body for five years ending in 1924; the voting trust to expire the same time as these contracts. The Fisher brothers had expressed a wish for closer association with General Motors; and in 1922 Fred Fisher, already a General Motors director, became a member of the General Motors Executive Committee.

In 1924 it was agreed that three of the brothers would devote their entire efforts to General Motors and the other three were to operate Fisher Body; that all six would take

allotments in Managers Securities in lieu of compensation provided in the employment contracts; and the voting trust would expire. In October of that year Pierre S. du Pont wrote to Sir Harry McGowan that for months General Motors had been negotiating with the Fisher brothers for the purpose of arriving at a satisfactory plan to continue their association with General Motors and in the plan evolved it was thought that

"interesting two members of the Fisher family directly in General Motors will have a very beneficial effect in breaking up a line of separation of the two companies' interests that has not been altogether wholesome. From lack of knowledge, the two sides have tended to criticize each other, without good result. Hereafter the Fishers will better understand GM problems and difficulties and, I think, GM men will better appreciate the Fisher problems. \* \* \*

"We all feel that the settlement of this business will prove very beneficial. Messrs. Fisher are very happy [fol. 558] over the solution of the problem, as for some time they have been fearful lest failure to get together would necessitate the breaking up of relations, perhaps a break in the Fisher family, concerning which they naturally have great pride, as they have been phenomenally successful in the cleanest kind of a business enterprise." (GM 32).

On June 30, 1926 General Motors acquired the remaining 40% interest in Fisher Body for the reason that Fisher Body had been unable to make price reductions which General Motors needed or to expand its plant capacity and reserve its entire production for General Motors. Fisher Body became a division of General Motors. In connection with this acquisition, John J. Raskob requested du Pont to loan General Motors a quarter of a million shares of General Motors common to finance the transaction, which was done.

In 1919 when the voting trust was first established only 25% of General Motors car production was in closed bodies, but by 1926 the percentage had increased to 90%. The 1919 contract with Fisher Body provided that Fisher Body was to receive cost plus 17% on all closed body work for General Motors.



At the time of the du Pont investment in General Motors, Fisher Body was building closed bodies for General Motors and buying pyroxylin coated materials for closed body tops from Textileather. Before and after 1917 du Pont sought to secure this business of Fisher Body but was unsuccessful. In July 1925 the Executive Committee of du Pont was informed that du Pont had been unable to sell Fisher Body closed car curtains and had lost orders of about 200,000 yards on rubber coated fabrics to Chase and Haartz, [fol. 559] owing apparently to price considerations. In 1925 du Pont's total fabric sales to Fisher Body amounted to \$303,000.

In 1925 three events occurred which established du Pont as a substantial supplier to Fisher Body of rubber coated material: (1) Fisher Body made a change from pyroxylin coated to rubber coated decking not produced by Textileather; (2) du Pont introduced a new rubber coated decking "Glazed Pontop" which tests showed to be superior to others; and (3) du Pont, at the request of a Fisher Body Vice-President, employed Mr. J. Henry Smith as its Detroit sales representative for coated and combined fabrics. This last event resulted in an order to du Pont for 300,000 yards of Pontop for the balance of 1925. This Brown testified was "about six times as much business as we had got from Fisher in previous years."

During the last half of 1925 Fisher Body placed with du Pont heavy fabric orders that increased its purchases almost fourfold the following year.

In early 1926 du Pont introduced "Everbright" a new rubber coated decking which was widely adopted by the automobile industry and in 1926, after Fisher Body had tested it, du Pont was supplying Fisher Body with considerably more than one-half of its top material requirements. Thus, during the last half of 1926 Fisher Body placed the greater portion of their rubber coated fabrics business with du Pont's Fairfield plant.

The advent of the so-called super discount plan is considered under this heading since the Government's analysis reflects that its operations were directed to the Fisher Body business.

Early in 1924 the General Purchasing Committee devel-

oped the idea of sliding scale discount contracts. This [fol. 560] permitted a supplier to fix his base price upon the volume of business he had previously enjoyed and as an inducement for increased volume offered an additional discount. Several contracts were made by the committee on this basis and GM 162 contains excerpts of these.

Preceding the adoption of the super discount plan in August 1926, du Pont had been making discount arrangements with General Motors on certain fabric materials. In July 1925 the Paint, Lacquer and Chemicals Division reported to the Executive Committee of du Pont as follows:

"We are negotiating a one year's contract dating from July 1st with General Motors which will cover the entire requirements of the General Motors units for pyroxylin finishes and a minimum of 50% of Fisher Body requirements. The committee has approved an extension of the discount scale which has been in force this year, and by purchasing maximum amounts during any given quarter General Motors may gain up to 12% discount from the present standard price. It is hoped that, since almost all of the Fisher Body business must be included if General Motors as well as Fisher is to obtain this maximum discount, that this will prove such a strong inducement for Fisher to give us this business that competition for Fisher business will be greatly lessened." (GTX 454, p. 4.)

The General Purchasing Committee invited W. P. Allen of du Pont to present a proposal for sliding scale quantity discounts on all purchases from du Pont and invited Standard Oil of Indiana to submit a similar proposal on its products. In August 1926 W. P. Allen, General Manager of the Chemical Products Department of du Pont, attended a meeting of the General Purchasing Committee of General Motors and presented a plan for sliding scale quantity discounts to General Motors and Fisher Body purchases on Duco, thinner, fabrikoid, rubber coated fabrics, pyralin, paints for maintenance purposes, etc., and the details were set forth in a letter from Allen to the General Purchasing Committee in September 1926, setting forth

that the discount arrangement would begin when purchases totaled \$9,000,000:

	<i>Discount</i>
\$9,000,000 .....	\$ 75,000
10,000,000 .....	175,000
11,000,000 .....	300,000
12,000,000 .....	450,000
Each additional One Million .....	150,000
(GTX 461, 462)	

He wrote again, stating it was desirable to keep the arrangement confidential:

"I want to say a word to you about the desirability of keeping this matter confidential and in treating it as an arrangement within the du Pont-G. M. family rather than as a mere concession in prices on individual commodities.

"\* \* \* I again want to emphasize the importance of treating this whole matter in a confidential manner. It is obvious that we would be unable to continue this arrangement unless we can secure much higher prices from our other customers; and, if the terms of this arrangement become public knowledge in the trade, we would inevitably be forced to reduce prices generally, which would in turn wipe out the earnings which we propose to return to you as a rebate under this plan." (GTX 463).

[fol. 562] In January 1927 Lammot du Pont wrote a memorandum addressed to Pierre S. du Pont, Chairman of the Board of General Motors and John Raskob, Chairman of its Finance Committee, giving figures on General Motors purchases of fabrikoid, rubber and parlin, and stated:

"I gather you were somewhat surprised at the statement that General Motors was not buying anywhere near all of their requirements of products which du Pont makes, from the du Pont Company." (GTX 460).

The tabulation attached consisted of figures for the year 1926 on products consumed by General Motors and Fisher Body, which were not enjoyed by the Fabrikoid and Chemical Products Divisions of du Pont, in a total amount of



\$5,339,500. It showed that Fisher Body purchased from competitors a larger amount of fabrikoid and rubber products than the other divisions and was the only one listed as purchasing from competitors products in the chemical field, approximately \$3,012,500 in primers, surfacers, ground coats, black Duco and thinners. The reason for this was stated by Allen to be that the figures on chemical products did not mention General Motors car units since Buick, Chevrolet and Olds purchased practically 100% of their requirements from du Pont, so that Oakland was the only unit purchasing anything worthwhile from competitors and this mostly in undercoats. He stated:

“When we were discussing with the General Motors Purchasing Committee in the middle of last year the question of granting them a super discount as an inducement to place with the du Pont Company more of the General Motors business, they admitted that for the year up to that time General Motors and Fisher Body had bought a total of \$12,000,000 worth of materials made by the du Pont Company, of which \$8,000,000 [fol. 563] had been placed with us and \$4,000,000 with competitors.” (GTX 460).

A report by the Paint, Lacquer and Chemicals Department to the Executive Committee of du Pont for the month of November 1926 stated that General Motors was unwilling to make a requirements contract for 1927 although du Pont had reduced the prices of thinner and although these prices were subject to quantity discount; that competition in the pyroxylin finish field was apparently the cause for General Motors' attitude. It was also reported that du Pont had succeeded in selling Buick its fabrikoid requirements for the first half of 1927 “notwithstanding competition from Federal Leather Co. at a differential of 11¢ per yard under our quotations.”

The following month, December 1926, another report was made stating that General Motors' action in receiving a bid from U. S. Industrial Alcohol on specified thinner composition, compelled du Pont to make an offer “at approximately the same net price when all discounts are included” and that this would have to be extended to all customers with the result that profits from the thinner business during

1927 would be less than in 1926. The report also stated under Sales of Special Significance that Oakland Motor Co. had placed an order for their requirements of fabric for the first six months of 1927 with du Pont "notwithstanding lower prices being quoted by Federal Leather and Cotex." The contract on thinner requirements was granted by the General Purchasing Committee to U. S. Industrial Alcohol for a six month period.

In October 1927 the Paint, Lacquer and Chemicals Department reported as follows:

"Renewed interest on the part of General Motors people has been aroused in the question of the volume [fol. 564] oil-type undercoats and black 'Duco' business that is being placed with competitors by Fisher Body Division. Their own estimate is that General Motors Corporation might save as much as 500,000 a year by placing this business with us, due to our lower prices on undercoats and the increased discount this added volume would enable them to obtain on all other purchases under our so-called 'super-discount's' agreement. Our latest information is that this subject is being actively agitated by the General Motors Purchasing Committee but have not yet heard to what extent the operation of the super discount plan is swinging sentiment in our favor." (GTX 492).

The General Purchasing Committee of General Motors in July 1928 wrote the purchasing agents of the General Motors Divisions and Fisher Body regarding the du Pont super discount saying that while it was agreed that healthy competition was to be maintained if 80% of the purchases of material such as du Pont was in a position to supply are given to them on an even basis, the earnings under the super discount will be materially increased and they were urged to cooperate to that end.

During 1927 Fisher Body went back to pyroxylin decking on most models and purchased about one-half of its requirements from du Pont's competitors. In 1928 Fisher Body returned to Everbright and in 1929 competitive materials met its quality and Fisher Body reduced its purchases from du Pont to about one-third of its coated fabric re-

quirements, which it continued to purchase until 1935 when the all steel top eliminated its use.

The du Pont Fabrics and Finishes Department reported to the Executive Committee for the month of June 1929 on the effect of the special discount plan stating that [fol. 565] \$379,000, representing discount earned on total purchases of du Pont products amounting to \$11,528,000, had been paid for the year ending June 30, 1929, and that for the previous year the discount had amounted to \$200,000 on purchases of \$10,201,000; that

“While the value to us of this arrangement has been subject to question at times, there appears to be no longer any doubt that it has had and is continuing to have a very beneficial effect in fostering a friendly attitude toward du Pont products in general, which serves to minimize the occasioned differences that must of necessity arise in handling of such a large volume of varied products.” (GTX 496).

With the depression years, General Motors production and its purchase declined. From 1929 to 1932 Fisher Body curtailed its output 71%—from 1,360,617 units to 395,604 units—and its purchases from du Pont were reduced. Since General Motors requirements had been cut to a point where it was unable to earn a discount in 1930, du Pont lowered the minimum amount at which super discount would become payable during the next year. In 1932 the super discount plan was terminated.

In October 1931 du Pont bought 300,000 shares of General Motors common stock from the Fishers; the other 200,000 were purchased by the Opel interests in Germany. Before this purchase the Fisher Brothers held 532,069 shares of General Motors common, or 11.8% of the 4,509,060 General Motors common held in Managers Securities. In addition, they held 1,600,000 shares of common stock received when General Motors purchased the remaining 40% minority interest in Fisher Body in 1926. In 1934 F. J. and C. T. Fisher retired as directors and members of the Executive Committee of General Motors and L. Fisher [fol. 566] succeeded C. T. Fisher as Central Office Executive at General Motors. He held this post until his retirement in 1944.



When the all steel top for passenger automobiles was adopted for all General Motors cars in the mid-1930s and until 1939 the principal use of fabrics at Fisher Body was the combined uncoated fabric for tops of convertible cars. Du Pont presently enjoys between one-third and one-half of this business. Fisher Body first used du Pont Teal, a fabric used for convertible tops, in 1926, and purchased 50% of its requirements of this fabric until 1930. In 1931 Fisher Body requested all its suppliers, including du Pont, to give a two year guarantee against damage by cleaning materials. Although du Pont tests showed its Teal would withstand cleaning materials, du Pont felt it could not make the guarantee, and Haartz Auto Fabric Company, which was willing to make such a guarantee, became Fisher Body's sole supplier of this type of fabric. By 1933 du Pont felt it could make the two year guarantee and sought to regain some of this business, but secured none until 1948.

In late 1946 Fisher asked du Pont to develop a combined uncoated fabric which would not be subject to the fading and shrinking problems evidenced in Haartz material. By 1948 du Pont had solved the problem and was awarded part of Fisher's business. From that year to 1951 du Pont enjoyed one-half of Fisher's business, and in 1951 about one-third. Since 1946 or 1947 du Pont supplies Fisher Body with 35-45% of its coated and combined uncoated fabric requirements.

In 1940 and 1941 du Pont secured the major share of Fisher Body requirements for coated fabrics. Since 1947-1948 this business has declined and du Pont is only one of four major suppliers of this fabric to Fisher Body. The [fol. 567] other suppliers are Haartz, Textileather, and United States Rubber. Fisher Body has adhered to a policy of several sources of supply.

The record, including all the evidence summarized in the preceding paragraphs, amply establishes that du Pont sought to sell its finishes and fabrics to Fisher Body. It early recognized that Fisher would be a substantial consumer of those products since it was making all of the closed bodies for General Motors cars. Du Pont's sales efforts included a personal approach to the Fisher brothers by Lamhot du Pont, at the suggestion of Pierre S. du

Pont; the employment as a fabric salesman of one Smith who apparently was favorably known to the Fisher management; and the offering of a substantial overall price reduction in the form of the super discount for a period of about five years during the 1920s.

The first of these efforts appears to have resulted in no advantage to du Pont since its stock ownership in General Motors did not persuade Fisher to use Flint products. The other two efforts did, it seems clear, increase du Pont's sale of finishes and fabrics to Fisher Body but they do not establish the existence of any agreement or understanding that Fisher would favor du Pont, and they do not establish that du Pont's sales to Fisher resulted from its stockholdings in General Motors or its alleged control of General Motors. Moreover, the record indicates that even the discount did not secure for du Pont all of Fisher Body's business and indeed may not have increased the portion of Fisher's requirements purchased from du Pont though the total dollar purchases from du Pont by Fisher did increase. The record also shows that Fisher Body at all times conducted its purchasing with respect to finishes, fabrics and all other products in accordance with its own best judgment. The Court finds the testimony of Lawrence [fol. 568] Fisher particularly persuasive in this respect. His competence and knowledge of this matter cannot be questioned. He was in active charge of the Fisher Company for many years and subsequently served in high executive capacities with General Motors. It is highly unlikely, if not impossible, that Fisher Body's purchasing practices could have been influenced by an agreement with du Pont or by the latter's position in General Motors without his knowledge. His forthright testimony and general demeanor on both direct and cross-examination are most convincing that Fisher Body was neither party to an agreement with du Pont nor the victim of du Pont domination.

Finally, the extent to which Fisher Body has purchased over the years from competitors of du Pont in substantial quantities cannot be squared with the charge that Fisher is a captive market for du Pont. The record is clear, for example, that Fisher immediately encouraged competitors of du Pont to produce a lacquer comparable to Duco, and has consistently over the years bought substantial amounts

of topcoats from two or three of du Pont's competitors, and practically all of its undercoats are purchased from a single competitor of du Pont. Other examples are found in the detailed analysis of the evidence relating to the various products sold by du Pont.

## Finishes

### *Duco*

In 1910 General Motors and Chevrolet had been purchasing practically their entire requirements of automobile finishes from Flint. After the acquisition of Flint by du Pont, Flint's position as a supplier of paint and varnish to General Motors was not enhanced; in fact, Flint lost position as a supplier. In 1918 Flint had all the Buick, Oakland, Olds and Chevrolet business. In 1921 it lost half of [fol. 569] the Oakland business, and in 1923 some of the varnish business at Buick, Oakland and Olds.

Immediately following World War I the automobile industry entered into an era of great expansion. One important problem remained, however, that of a finish which would last as long as the automobile and which could be applied on the assembly line in a matter of hours.

Du Pont had entered into the nitrocellulose lacquer field in 1903. By 1920 it had a small but varied line of products. These lacquers were quick-drying and provided a durable film, but use was limited because the lacquer did not contain much solid material and if that were increased the lacquer became too viscous to work.

General Motors officials were interested in the problem and upon recommendations of Walter P. Chrysler and Herman L. Weckler of Buick, a Paint and Enamel Committee was created in December 1921 to study the problem. Clements of General Motors Research became Chairman and representatives of the car divisions were members.

The Paint and Enamel Committee began to test the finish used in each of the car plants and discovered the difficulty was in the top coat. It contacted every reputable paint manufacturer in the country and tested available material.

Kettering and Fisher Body used lacquer on airplanes during World War I and Kettering thought it might be the solution to the problem in the automotive industry. It had



never been used on automobiles because it had a low solids content requiring application of many coats when used in colors.

Among the paint manufacturers approached, was du Pont, which evinced an interest in the idea. By this time [fol. 570] du Pont discovered a process for producing a lacquer with a high solids content, called Duco. Edmund M. Flaherty, Assistant Director of Sales for du Pont's Chemical Products Division, told Harry Mougey, a member of the General Motors research group, of this new lacquer and agreed to send samples to Dayton, Ohio, to be tested with the other materials under observation by the Committee.

After testing samples of this new lacquer, Kettering and Henry Mougey became enthusiastic over its possibilities. However, it lacked the high gloss of varnish and it would not adhere to the traditional undercoats used on metal.

This was in the Spring of 1922 and marked the beginning of an experimental and production testing period that lasted more than two years. Both General Motors and du Pont joined in the testing to adapt the new lacquer to the demands of the automobile production line and a great deal of collaboration ensued toward this end. Williams of du Pont spent a considerable period of time working with Mougey of General Motors before the problem was solved. Both Williams and Flaherty testified that they met no chemists from other companies in the General Motors laboratories.

While Duco was still in this testing stage Pierre S. du Pont, then President of General Motors, at the request of the Paint and Enamel Committee asked du Pont to stop all negotiations with other possible consumers and all plans for selling these products in the open market "until such time as a suitable conference may determine whether it is possible for General Motors Corporation to obtain the entire product for the du Pont factories over a period of time in order to insure a satisfactory quantity of material". At the same time, he requested Sloan to secure a sample estimate from the several General Motors Divisions, as to their probable needs if Duco were to be used so that [fol. 571] du Pont might set about constructing the necessary facilities. This feeling had been orally expressed to

Irene du Pont and had been discussed at a meeting of the General Motors Paint and Enamel Committee which was attended by a du Pont representative.

In a report to the Executive Committee of du Pont in October 1922, the Cellulose Products Department stated that they had seriously considered the whole matter and after weighing all the factors was of the opinion that "it would not be to our best interests, nor General Motors', to give them this exclusive right." The report further stated that "any competitive advantage that General Motors might obtain by getting the exclusive use of our finishes must be temporary only" and such a practice "would have the effect of encouraging competition in the field," so that it would be better to take full advantage of the start du Pont had by being first in the field and "getting entrenched just as widely as possible."

Irene du Pont in reply to Pierre S. du Pont's request said:

"We are embarrassed at your request to stop all negotiations with possible consumers and plans for selling these in the open market, this because we have already started a number of small users in business and cannot now cut them off from their source of supply. Also, the rumors of the value of these products are spreading and inquiries will be received from others who are users of Fabrikoid, Pyralin, etc., and we would be in a most embarrassing position to have to refuse sale of 'Viscolac' or 'Duco'. This might even result in their ceasing to use Fabrikoid and Pyralin by way of retaliation. Finally, if we don't sell on the outside the demand will be filled by other manufacturers which will entrench competition for us at a later date." (GTX 380).

[fol. 572] Flaherty testified that du Pont was selling Duco to Franklin, Pierce Arrow and other automobile companies.

By early 1923 General Motors Research was convinced that Duco was the answer. In March 1923, Mr. Rogers, the paint superintendent at Oakland, did some experimental work of his own and developed a burnishing process that brought up the lustre of Duco. In the Spring of that year, Oakland decided to use Duco on its 1924 open car, with the

hope that it would reestablish its lagging reputation. The promotion report on automobile companies in October of that year reported that Oakland distributors were demanding Duco on closed cars. Oakland's use of Duco was an immense success. Fisher Body Division, which was building the Oakland closed bodies, decided to use Duco.

Herman L. Weckler, Works Manager at Buick, recommended Duco to its manager, Mr. Bassett, in 1923, but Bassett decided to wait until the Oakland results were in. In the Spring of 1924, upon the continued recommendation of Weckler, Bassett decided that Buick would use Duco on its 1925 models.

H. H. Rice, President of Cadillac, wrote to Clements, who had urged a speedy decision on the use of Duco by General Motors Divisions, agreeing that "all speed should be used in making the investigation but I think one of the most dangerous things the Corporation could do would be to adopt, generally, the new method of painting before it had been tried out in every conceivable fashion." Lawrence Fisher testified that in 1924 Fisher Body used Duco on the first steel bodies for Cadillac. In writing to Allen of du Pont, Sloan stated that he disagreed with the attitude of Cadillac and would see what he could do toward helping the situation. Regarding Buick, he suggested that Allen contact Mr. Bassett of that Division.

[fol. 573] The caution on the part of Cadillac and Buick in adopting Duco was set forth by Sloan in a letter to Allen on February 4, 1924 wherein he said that he was disappointed to find Cadillac and Buick reluctant to accept a car with a dull finish.

At a meeting in April 1924, Bassett stated that he intended to put the entire Buick production into Duco and it was adopted for both its open and closed bodies on the 1925 model. Cadillac, for about two years before it adopted Duco as its standard finish, offered it only on an optional basis, and did not make it standard until 1926. Thus the change over to Duco was slow. Sloan said:

"It is hard to separate reluctance from responsibility. Responsibility of a general manager of a division is very great, and while he wants to make technological progress, and improve his product, he has got to be



pretty careful that any decisions he has made lead to that end. \* \* \* (Sloan 3017-3018).

Sloan testified that he was interested in Duco because it had great significance from the standpoint of consumer appeal and because of its economic advantage; that he had no interest in "pushing" Duco other than improving General Motors; and that the decision to try Duco was left entirely to the respective Divisions who were given no orders by him or anyone else.

In July 1924 the General Purchasing Committee began development of a general contract covering Duco. The minutes of the General Purchasing Committee in November 1924 in connection with a discount provision in the proposed general contract for Duco stated:

"It was brought out that no effort had yet been made to develop competitive price situation as regards [fol. 574] pyroxylin paints and that this fact should be given consideration by the du Pont Company."

In December 1924 an agreement was reached with du Pont whereby General Motors undertook to purchase its entire requirements of pyroxylin finishes for the first six months of 1925. Within a month, Lynah pointed out that a field of competition for Duco should be developed and suggested that the Research Laboratories begin "characteristic and durability tests of competitive pyroxylin finishes." Lynah in February 1925 requested Research to test the products of seven named companies. The general contract provided for purchase of buyer's requirements of Duco and thinner.

By May 1925 Lynah, in a letter to Mougey, made reference to the fact that other automobile manufacturers—Paige-Jewett, Flint, and Packard—were using a competitive pyroxylin finish sold by the Zapon Company. Before the expiration in July 1925 of the first contract with du Pont, Lynah undertook again to find a competitive product and suggested to the members of the General Purchasing Committee:

"\* \* \* It is appreciated that a field of competition for 'Duco' should be developed." (GM 172).

At this time Fisher Body had started to use Forbes black lacquer in addition to Duco which it had adopted in 1924, although the Forbes product had not been tested or approved by General Motors Research. Du Pont did not regain any of the black Duco business from Fisher Body until 1931 when it offered a new and superior product. Du Pont, Rinshed-Mason, and Forbes have continued to be Fisher Body's major sources of supply for topcoats, and [fol. 575] for undercoats Fisher Body has used Rinshed-Mason almost exclusively.

In May 1925, Mougey, Chief Chemist for General Motors Research, wrote to Lynah that the problem of testing lacquers was not easy:

"\* \* \* the matter of tests on cellulose nitrate finishes is a very difficult one. When one is dealing with material as durable as Duco, it is very difficult to estimate its total life and also estimate the life of other materials as compared with Duco. \* \* \*

"\* \* \* One of the reasons why it is so difficult to approve finishes made by different companies is because each color is a problem in itself. A company may make a very good black and yet certain shades of grays, blues, etc., may be very bad. \* \* \*

"Another factor which makes it very difficult to judge these finishes is the fact that all of the companies who are trying to duplicate Duco are constantly improving their materials. We feel that none of the exposure tests which we made last Summer and last Winter represent the same material as was submitted by you this Spring. In most cases we feel that the Companies have improved their materials in the meantime, but in some cases, due to inability to actually determine whether a change is an improvement or not, we feel that changes have been made for the worse. This matter of changing the composition of the material is one on which we have insisted very strongly with the du Pont Company. No changes are made in the material until after very extensive tests. \* \* \*

"We feel that in the case of material which is advertised by our Companies as strongly as Duco, no pro-[fol. 576] duction should be undertaken on material.

which has not had at least a full year exposure test on test racks. \* \* \*

"In conclusion we believe that the other Companies who are competing with du Pont have already developed individual colors in many cases which are the equal of Duco. We also believe that most, if not all, of the other Companies have not as yet developed a full line of colors of high durability. It is an open question whether it is possible at the present time to choose any individual color made by a competing company and guarantee that its durability is as great as that of Duco. In addition, there are many other properties such as quality of the color, ease of spraying, covering power, polishing properties, and other working properties which must be determined by actual tests on cars under production conditions.

"Under these conditions we believe it would be desirable for the General Motors Corporation to put out a limited number of cars finished with the particular colors from competing Companies in which we are most interested. \* \* \* In this way we feel that the General Motors Corporation will be in a position by next Spring to definitely put into production materials made by some of the Companies competing with Duco. \* \* \* (GM 176).

Upon the expiration of the first general contract for Duco, a second agreement covering the last six months of 1925 was executed for all requirements of the car divisions, and 50% or more of Fisher Body's requirements. Lynah testified that the reason for the 50% requirement of Fisher Body was that it "was not a wholly owned division of General Motors" and had to be sold on the desirability of participating in this contract. When the second contract was to expire, Lynah advised Research that it would be impossible to approve a competitive lacquer for at least another year and the same contractual arrangement was continued for 1926.

In 1927 the contract was changed so that General Motors bought its requirements of seiler's make. Lynah testified this meant that General Motors could buy as much or as little of du Pont's pyroxylin finish as it wished and was free to purchase from competitors and this interpretation of the



contract is supported by the terms of the contract itself. Competitive lacquers were approved by General Motors in 1927.

Some time between 1927 and 1930 Cadillac and Oldsmobile began using competitive lacquers. Fisher Body for many years purchased finishes from a number of sources, including du Pont, and is the principal purchaser at General Motors of undercoats, but buys these principally from Rinshed-Mason. Cadillac has continued to use Rinshed-Mason topcoats since the late 1920's, and its undercoats have been supplied by a number of different companies, including Rinshed-Mason, Ferbert-Schorndorfer. Ralph J. Wirshing, head of General Motors Research Laboratories, testified one of the reasons Cadillac uses Rinshed-Mason is because of the proximity of its plant to Cadillac. The Chevrolet Division continues to buy its entire requirements from du Pont for both its topcoats and undercoats. Pontiac Division buys exclusively from du Pont; the du Pont plant being only thirty miles away. Buick uses du Pont topcoats and undercoats from a du Pont plant close by. Oldsmobile has used Rinshed-Mason topcoats since 1927 and Forbes undercoats since the 1930s.

It has been admitted that soon after the advent of Duco [fol. 578] du Pont sold this finish to a considerable number of other automobile companies. Shortly after the adoption of Duco, du Pont offered and sought to promote a nitrocellulose undercoat made from essentially the same material as Duco as a substitute for the oil base product then used. The new product was sold to automobile companies other than General Motors—Nash, Marmon, and Chrysler—because it afforded quicker drying and better surfacing qualities. Du Pont was unable to sell it to Fisher Body or any of the General Motors car divisions.

#### *Dulux*

By 1926 Duco was in extensive use as an exterior finish for domestic refrigerators. At that time Frigidaire used Duco as an exterior finish for substantially all of the refrigerators which it made. In 1927 Frigidaire abandoned the use of Duco and spent over \$1,000,000 to install equipment for finishing refrigerators with porcelain. It did this despite the efforts of du Pont to persuade Frigidaire that it should continue to use Duco. By 1930 Frigidaire was

using a porcelain exterior finish on more than 80% of its refrigerators. Throughout this period General Electric, Frigidaire's major competitor, continued to use Duco or a similar lacquer finish. When Westinghouse began to manufacture refrigerators in 1932, it also used Duco. Even after the development of Dulux, Frigidaire continued to finish the exterior of about one-fourth of its refrigerators with porcelain—and is the only manufacturer of refrigerators in the United States which uses an exterior porcelain finish.

In 1932 General Electric and Westinghouse used Duco. The technical personnel of du Pont, and General Electric worked closely in General Electric's plants and laboratories on the problem of adopting Dulux to General Electric's [fol. 579] manufacturing process. General Electric was the first refrigerator manufacturer to use Dulux, Westinghouse was second, and Frigidaire did not adopt it until a year later.

C. L. Van Derau, a manufacturing executive at Westinghouse for over twenty-five years, testified that the reason it has purchased its entire requirements of refrigerator finishes from du Pont for many years was the fact that du Pont had "the finest trained technical group at their beck and call" and rendered excellent service.

With the exception of Frigidaire, the principal manufacturers and many of the smaller companies use Dulux exclusively; Frigidaire uses it on three-fourths of its refrigerators. Knight of General Electric, Norberg of Crosley, and Van Derau of Westinghouse, testified that these companies have used Dulux for many years because of its outstanding quality.

Dulux is not used by Frigidaire or the other major refrigerator manufacturers in inner liners or food compartments.

### *Finishes—Accessory Divisions*

Richard C. Williams, Manager of Automotive Sales, Fabrics and Finishes Section of du Pont, testified that it sold substantial quantities of black lacquers to AC Spark Plug, but that Delco-Remy purchased its insulating varnish from two other sources. Du Pont has not sold to the Inland

division in large quantities because the service problem was too great.

Guide Lamp Division has purchased quantities of enamel from du Pont, but a competitor succeeded in developing a primer which gave greater satisfaction and secured the business. The Ternstedt Division before World War II [fol. 580] obtained its interior enamel requirements from du Pont for a number of years but "as an economy move" switched to a competitive product although du Pont still has some of its business.

Williams testified that du Pont enjoyed varying degrees of success in its efforts to sell to the accessory divisions. Each division, he testified, purchases from du Pont or one or more of its competitors in accordance with the division's determination of price, quality and service.

Electro-Motive Division, manufacturer of Diesel locomotives, purchases 70-75% of its exterior finish requirements from du Pont. Its interior finish and its insulating varnish requirements are supplied by competitors.

The Packard Electric Division which uses cable lacquers and varnish was supplied by du Pont from 1929-1933 with all its requirements of black high tension lacquer being approximately 15,000 gallons a year. In 1933 a superior product was introduced by a competitor and du Pont lost the business although it continued as a supplier in lesser volume. In 1936 du Pont regained 50-75% of the black high tension lacquer business due to improvement in its product and continued to supply Packard Electric until 1939, when a competitor, the Standard Varnish Company, produced a lacquer of considerably higher heat and oil resistance and procured practically all the requirements of Packard Electric until the war.

Packard Electric was purchasing clear high tension lacquer from Arco and Ferbert-Schorndorfer, until 1934 when William Fisher testified they recognized the need for higher quality clear and started to buy most of their requirements from du Pont. This continued until 1936 when ethyl cellulose was produced. The Glidden Company secured the business in 1936, although du Pont was selling the lower quality [fol. 581] clear high tension lacquer to Packard Electric, until 1939. Fisher testified that since the war du Pont has not sold this lacquer to the Packard Electric Division.

In 1929 du Pont failed in its attempt to sell Packard Electric its low tension lacquer for cables. This was before the Division was acquired by General Motors. In 1931 Packard Electric produced its own low tension lacquer and purchased its film scrap solution from the Eastman Kodak Company. Fisher testified that du Pont was never able to persuade them to purchase their low tension lacquer and their film scrap solution from them.

### *Price Inertia*

In 1927 the manager of General Motors Canadian subsidiary wrote to Pratt protesting that du Pont's subsidiary in Canada was not giving them a square deal on prices charged for Duco, that they were therefore contemplating using in part competitive products. Pratt replied that he saw no objection to using competitive products to get the du Pont subsidiary on a "proper basis" and that in fact it had been recently necessary for General Motors in the States to place some thinner business with a competitor as a disciplinary measure to bring down the price of Duco and thinner. The record shows that six months later du Pont met the competitive price and gained a general contract for 60% of General Motors thinner requirements.

In February 1927 Pratt wrote to Coyne of du Pont, complaining of their price policies:

" \* \* \* I want to tell you confidentially that the fellows responsible for the price policies in selling du Pont products to General Motors Corporation have used very bad sales psychology. I think I am safe in saying the du Pont Company has never voluntarily [fol. 582] made a price reduction on its products to General Motors. Price reductions have only been obtained by General Motors bringing in outside competition and forcing the du Pont Company to meet prices of outside competition in order to maintain the business. \* \* \* Practically all successful suppliers of automotive parts and materials (with the exception of the du Pont Company)—when through improved design or increased production are in a position to make lower costs—pass part of the advantage of the lower costs on to their customers with reduced prices, without solicitation or pressure. I know you are salesman



enough to appreciate the psychology in this policy, and realize the lack of good will created with a customer when it is necessary for that customer to take steps to bring down prices to a proper point, rather than having proper prices made through the initiative of the supplier." (GTX 485).

In response Coyne wrote Pratt stating he assumed he would have no objection to showing that part of the letter referring to the sales policy to du Pont's sales advisor so that he could look into the matter.

Du Pont's slowness in meeting competitive prices on Duco was contained in a du Pont report for 1928 wherein it was stated:

"Naturally the manufacturers welcomed this reduction although several of them did not fail to remind us that our competitors had long since favored them with lower prices." (GTX 490).

80% of du Pont's total finish sales are made to customers other than General Motors. In 1948 du Pont sales of finishes to General Motors totaled \$21,209,642 and its finishes [fol. 583] sales to customers other than General Motors totaled approximately ninety-seven million dollars. The loss of a number of the early automobile customers for Duco had been due to the fact that they had gone out of business—such as Franklin, Rickenbacker, Marmon, Moon, Cleveland, Chalmers, Morris, Lexington, Paige, Hupmobile, Gardner, etc. Williams testified that du Pont had been selling to Nash, Studebaker, Hudson, Packard and Willys since the middle 1920s. Until the early 1930s du Pont sold substantial quantities of topcoats and undercoats to Chrysler, but Chrysler thought their interests would be better served if they found a supplier who would take care of their entire requirements, and Pittsburgh Plate Glass has enjoyed the major share of Chrysler's finish requirements. Government Exhibits 1376-7 show that in 1935 Ford was buying one-half of its requirements from Du Pont and manufacturing the other half. In 1938 Ford ceased to buy Duco from du Pont but resumed substantial purchasing when Henry Ford II became active in Ford management.

Du Pont admits that for the ten years preceding the filing of the complaint, approximately three-quarters of its total sales to General Motors have consisted of products of its Finishes Division and that General Motors has been its largest single customer. The largest single finishes item which General Motors purchases from du Pont is Duco. In recent years about two-thirds of General Motors total purchases of finishes from du Pont have consisted of Duco, and the thinner and solvents used in its mixing and application. Thus in 1947 of du Pont's total sales of finishes to General Motors amounting to approximately nineteen million dollars, Duco and thinner sales constituted over twelve million dollars. For the six year period 1938-1941, 1946-1949, the sales totaled sixty-nine million dollars, forty-eight million dollars of which, [fol. 584] constituting slightly over 69% of the total sales, were for Duco and thinner.

#### Statistical Charts on Finishes

The charts submitted by the Government are GTX 1387, being du Pont's percentage of finish sales to General Motors; GTX 1393, 1394 and 1400 being General Motors' purchases of finish products from du Pont and from competitors of du Pont. GTX 1387 indicates 90% of du Pont's finish sales in the automotive field were to General Motors. GTX 1393 and 1394 show General Motors percentage and dollar volume of purchases from du Pont and competitors in paints, enamels, primers, lacquers, thinners and pyroxylin was 70% in 1946 and 72% in 1947. GTX 1400 is a tabular representation of the same information contained in GTX 1393 and 1394 and lists approximately twenty suppliers of finishes to General Motors other than du Pont with the amounts supplied in 1946 and 1947, and indicates that General Motors purchased finishes from du Pont constituting 70% of its purchases in 1946 and 71.55% in 1947. Defendants have offered DP 568 as being an accurate portrayal of General Motors' purchases of finishes from du Pont and its competitors. This chart shows that General Motors purchased 67% of its finishes from du Pont in 1946 and 68% in 1947.

The only differences in Government charts GTX 1393, 1394 and 1400 and defense chart DP 568 are: (1) the

Government has excluded from its charts the purchases of solvents which are items listed in GTX 1343A as being purchased from competitors of du Pont in the amount of one-half million dollars in 1946 and over a million dollars in 1947, and (2) the defendants have included solvents and excluded from their charts products [fol. 585] described as heavy-bodied cements, pyroxylin solutions, plastic protective coating, wax, and rubbing and polishing compounds.

Since the range of difference between the percentages submitted in the defense chart and the Government charts are not in significant disagreement—the Government asserting 70-71% and the defense 67-68%—the Court is of the opinion that a conclusion as to percentages will have no material bearing on the issues herein, and will not indulge in a technical discussion of the relative methods used in arriving at the respective percentages.

The record discloses that a very substantial portion of finishes sales consist of Duco, a pyroxylin lacquer used principally as a topcoat on automobiles, and Dulux, a synthetic enamel widely used as a refrigerator finish. The Court finds on the basis of all of the evidence of record that du Pont's success in the sale of finishes to General Motors is in large part attributable to the superior quality of these finishes and to the pre-eminence it gained as the developer of these two products, its continuing research, and outstanding service.

Duco was invented and patented by du Pont. It made a substantial contribution to the art of automobile finishing and was one of the factors that made possible mass production of automobiles. Testimony of Sloan, Lawrence Fisher and Weckler establish beyond any doubt the high value of this development to the automobile industry. Sloan recognized its potentialities in advance of some of his associates and urged the adoption of Duco. Such action on his part does not evidence a trade agreement with du Pont or response to alleged du Pont control. It is rather an instance of his foresight and leadership, not [fol. 586] unlike a number of other incidents that contributed to his success as the Chief Executive Officer of General Motors. The testimony of Weckler, who for many years was an executive of Chrysler Corporation, was simi-

larly convincing that Duco answered a long felt need in the automobile industry and made its way solely on its merits. In short, the Court rejects as wholly without foundation any contention that Duco was forced upon General Motors by reason of du Pont influence or domination.

The record shows that after competitors began to produce a lacquer comparable to Duco some General Motors Divisions turned to such competitors while others continued to buy in whole or in large part from du Pont. Du Pont, it appears, has retained its position as the most important single supplier of General Motors. The Government has failed to establish, however, that this position was maintained in any illegal manner. Flaherty, Williams and Wirshing all made clear that du Pont's position was at all times a matter of sales effort and keeping General Motors satisfied. There is no evidence that General Motors or any Division of General Motors was ever prevented by du Pont from using a finish manufactured by one of du Pont's competitors; nor is there any evidence that General Motors has suffered competitively from its substantial use of Duco. Kettering testified explicitly that the superior finish used on General Motors cars was responsible for their higher resale value. In view of all the evidence of record, the only reasonable conclusion is that du Pont has continued to sell Duco in substantial quantities to General Motors only because General Motors believes such purchases best fit its needs.

The evidence with respect to Dulux presents a similar picture. It is apparently an ideal refrigerator finish and is widely used by a number of major manufacturers other [fol. 587] than General Motors. Several representatives of competitive refrigerator manufacturers testified that they purchased 100% of their requirements from du Pont. There is no evidence that General Motors purchased from du Pont for any reason other than those that prompted its competitors to buy Dulux from du Pont—excellence of product, fair price and continuing quality of service.

#### Fabrics

One of the first fabrics which du Pont developed after its 1910 purchase of the Fabrikoid Company was a pyroxylin coated fabric which was used in the automobile industry



for upholstery. My mid-1913 sales of this artificial leather fabric were made to nearly every major automobile company including the General Motors car units. In 1918 du Pont developed "Pontop" a double rubberized top material. During 1925, it produced "Glazed Pontop", which was replaced in 1926 by "Everbright", a material similar to the Pontop but having greater lustre and durability. Everbright at one time supplied 75% of all the closed car top material business in the country. In 1937 Cavalon, a rubberized upholstery material compounded with ground leather and finished with a thin coating of shellac, which was brominated or given a case hardened surface, was developed and was used particularly in the trucking, theatre seating and public seating trades. During the period Glazed Pontop and Everbright were manufactured, du Pont developed a combined uncoated fabric which it called "Teal". This fabric was dyed before it was woven and used for the tops of open cars.

For about two decades none of the automobile divisions of General Motors have been purchasers of fabrics for use in making automobile bodies. With the advent of the closed body car in the late 1920s and early 1930s, these automobile divisions discontinued the making of open car [fol. 588] bodies. Fisher Body had manufactured closed bodies for General Motors cars before that type became popular and later continued the manufacture. In the mid-1930s it adopted the all steel top for all General Motors cars. Since these changes Fisher Body became a large consumer of fabrics for automotive use.

Until the adoption of the closed body car, fabric purchases by the General Motors car divisions were made principally by the respective divisions.

Before the stock purchase in late 1917, du Pont was supplying substantially all of the coated fabric requirements for both upholstery and top material for Chevrolet and Oldsmobile; about one-half for Buick; about one-third for Oakland; and all interior trim for Cadillac, but none of the top material.

Cadillac, Oldsmobile and Oakland used fabrikoid for interior trim and by 1916 Buick was one of du Pont's four largest fabrikoid customers.

In 1918-1919 Chevrolet, Buick, Oldsmobile and Oakland

made purchases of Pontop when it was introduced but Cadillac made no purchases until 1920.

Chevrolet continued to use artificial leather until 1930 and du Pont enjoyed a substantial portion of its upholstery and trim requirements. After the discontinuance of the open body it made only limited purchases of the same for upholstery and trim. In 1917 du Pont attempted to persuade Chevrolet to change to another top material which it believed was superior but was unsuccessful and the business went to a competitor; this was regained in 1919, however, when du Pont introduced "Pontop". Du Pont maintained its pre-1917 position as Chevrolet's rubber coated top material supplier until 1924 when it purchased its requirements from competitors, but regained that business in 1925 when Chevrolet was having both quality and [fol. 589] delivery difficulties with its other suppliers. Du Pont did not succeed in selling Chevrolet its combined uncoated top material until 1927, when it started buying du Pont's Teal. During this time Haartz was Chevrolet's supplier. In 1929 Chevrolet used this fabric for about one-half of its production. In 1930 Chevrolet abandoned rubber coated top materials and du Pont secured about one-half of Chevrolet's business for uncoated materials.

During 1920 du Pont, at Chevrolet's request developed a coated panel board and sold it to Chevrolet at about one-half the price charged by other panel board manufacturers. By the end of 1920 these manufacturers reduced their prices and Chevrolet thereafter purchased exclusively from them. During the 1920s and 1930s Chevrolet used a large quantity of coated fabrics for winter fronts to prevent radiator freezing and during this period purchased the du Pont product for only one year—1936.

Cadillac purchased du Pont's fabrikoid for interior trim for all its requirements until 1924. In that year for six months it purchased its requirements from Textileather. Prior to 1917 Cadillac purchased all its requirements of top material from competitors of du Pont until 1920. In that year it purchased du Pont's "Pontop" and continued to do so until 1924 when it ceased manufacture of open bodies.

Oakland purchased fabrikoid for use as interior trim until 1933 when it ceased the manufacture of open bodies. Previous to 1917 and from 1919 to 1922 this division pur-

chased one-third of its coated fabric requirements from du Pont. In 1918 du Pont had difficulty in maintaining color uniformity and Oakland purchased from competitors. In 1922 Oakland purchased its entire requirements of coated fabrics from du Pont, but in 1923 began to purchase from competitors. By 1925 du Pont again received about [fol. 590] one-third of its coated fabric business. In 1926 it converted to uncoated combined top material and purchased from du Pont competitors.

Except for 1922, when du Pont supplied Buick's entire requirements for coated fabrics, it supplied one-half of this division's requirements. When du Pont commenced the manufacture of uncoated combined top material, it solicited the Buick business but received no orders until 1927-1928, when it supplied all its requirements. In 1929-1930 Haartz became Buick's supplier of this fabric. Buick discontinued the manufacture of open bodies in early 1930.

Oldsmobile, between 1923 and 1929, purchased about one-half of its requirements for coated and combined fabrics from competitors of du Pont. In 1923 it purchased one-half of its requirements from du Pont in the rubber coated material "Pontop". From 1924 through 1926, this division used uncoated combined top material and purchased a substantial amount from du Pont. In 1927 and until 1929 it purchased from du Pont's competitors.

Between 1918 and 1923 du Pont supplied the bulk of General Motor's fabric business. The depression of 1920 and 1921 caused a drop in automobile sales and the automobile manufacturers, including General Motors, had large stocks of coated fabrics on hand, including future commitments under contracts. Several of the General Motors units requested du Pont to cancel their contracts but du Pont refused. An agreement for deferred delivery was made on Chevrolet's contract and settlement eventually made on the Buick, Oldsmobile and Oakland contracts to cancel same on the condition that each would purchase their entire requirements of coated material for the year 1922 from du Pont. Due to the settlements of the 1920 contracts, du Pont in 1922 supplied a greater percentage [fol. 591] of General Motors requirements than it had previously. In 1923 these three divisions commenced to purchase this fabric from other manufacturers.

Early in 1923 the General Purchasing Committee found

that General Motors had purchased nearly all its fabric requirements in the preceding year from du Pont and determined that at least 20% of the requirements should be placed elsewhere. In 1931 du Pont made a study of its total sales of coated and combined fabrics and the study showed that du Pont supplied 31.5% of General Motors requirements in 1930.

Fisher Body manufactured closed cars for the General Motors car divisions before 1917, and between 1924 and the early 1930s, manufactured the open bodies and convertibles. Until 1935 or 1936, when the all steel top was introduced, Fisher Body used coated fabrics as top material for the closed cars, but used no coated fabrics for upholstery and trim until 1939. It used combined fabrics as top material on convertibles. Fisher Body was buying none of its material from du Pont, purchasing from Textileather, until it bought du Pont's "Glazed Pontop" in 1925. In 1927 it changed to pyroxylin top materials and purchased one-half of its requirements from Textileather. It commenced to use du Pont's Everbright in 1928-1929. In 1929 it purchased two-thirds of its requirements from du Pont competitors. It continued such purchasing until 1936, when all of the General Motors closed bodies had an all steel top practically eliminating requirements for coated or combined fabrics except for convertible top material. Fisher Body began to use uncoated combined fabrics for top material on convertible models in 1926, purchasing about one-half of its requirements from du Pont. In 1931, when du Pont refused to grant a guarantee against damage by cleaning, it purchased its entire requirements from Haartz. In late 1946 or early 1947 Fisher Body had difficulty with shrinkage and fading of top material purchased from Haartz. In 1948 du Pont successfully met the difficulty and secured a part of the Fisher Body business. Since that year du Pont has supplied Fisher Body with less than one-half of its requirements of top material.

In 1939 Fisher Body began to use coated fabrics for interior trim and purchased part from du Pont and part from its competitors. Du Pont secured a major portion of its requirements for the years 1940-1941, and immediately following the war Fisher Body purchased from du Pont all of the coated fabrics du Pont would sell since there was



a shortage of said material. Since 1947 or 1948, Fisher Body has been purchasing its coated and combined fabrics from Textileather, Federaleather, Haartz Auto Fabric Co., and United States Rubber, as well as du Pont.

Fisher Body also purchases about \$1,000,000 of weather stripping cement. It purchases from du Pont a neoprene base adhesive called Fairprene 5115. Sales of this cement amount to about 3% of Fisher Body's total purchases. The bulk of its requirements for this material are purchased from Armstrong Cork, although Nickowitz testified that du Pont was still trying to sell larger quantities of Fairprene 5115.

In 1930 General Motors purchased the Indianapolis plant of the Martin-Parry Corporation, which became the Chevrolet Commercial Division of General Motors. This division makes bodies for light trucks and commercial vehicles. Between 1922 and 1930 Martin-Parry Corporation purchased 100 percent of its requirements of coated fabrics for upholstery and trim from du Pont. From 1930 to 1937 it purchased only du Pont pyroxylin coated fabrics. In 1937 du Pont supplied 90% of its rubber-coated fabric requirements, but in that year it started to purchase from [fol. 593] United States Rubber a part of its requirements. In 1940 du Pont lost more of this business, and in 1948 supplied only 60% of this division's requirements. Du Pont now obtains less than one-third of the approximately two million dollars of annual fabric purchases made by this division.

GMC Truck & Coach Division buys one-third of its requirements for light truck upholstery from du Pont. Its requirements of heavy truck upholstery are supplied by United States Rubber. When GMC Truck shifted, after the war, to vinyl coated fabrics instead of natural leather for the upholstery of its heavy trucks, United States Rubber succeeded in getting that business. Vinyl material for bus seats was supplied by B. F. Goodrich Company.

A C Spark Plug purchases about \$2,000,000 annually of coated fabrics for fuel pump diaphragms and continues to use its own material despite du Pont's sales efforts. At Chevrolet's request A C uses du Pont material for its automatic transmission. Electromotive's requirements of synthetic rubber coated material for batten strips and rub-

ber coated fabrics for insulating material are not supplied by du Pont although it supplies its principal competitor. Delco Appliance Division has a large requirement for synthetic rubber coated fabrics and sheet stock, but does not purchase from du Pont. Packard Electric Division also has large requirements for vinyl coated insulating tape, but does not purchase from du Pont. Du Pont supplies one-half of Packard Electric's requirements in "Teflon" a coated glass fabric for insulating aircraft ignition wire.

General Motors Overseas Division, which before the war purchased substantial amounts of coated fabrics in the United States, purchasing one-half from du Pont, has since the war made all its purchase abroad.

[fol. 594] A du Pont Annual Report for 1940 shows that demand for rubber coated fabrics continued until 1940 when pyroxylin coated material came into being. It stated:

"About five years ago rubber coated fabrics started to supplant proxylin materials for automobile truck seat upholstery and usage of the latter by the automobile industry gradually decreased until 1940 when style changes resulted in considerably higher requirements of pyroxylin coated fabrics as trim on the interior of closed cars. Our sales improved from \$360,000 in 1939 to \$870,000 in 1940, approximately 50% of the industry's total requirements." (GTX 1380).

In 1941 a du Pont Annual Competitive Report stated:

"The trim of the interiors of 1941 and 1942 passenger cars was such as to permit increased usage of pyroxylin coated fabrics for such purposes as the tops and backs of front seats, kick-pads, shelves behind rear seats, etc. Du Pont sales increased to \$1,365,000 in 1941, 5% over 1940, and represents 30% of the total automobile requirements. It is believed that Textileather Corporation secures the next largest share, as they supply a sizeable portion of Chrysler's needs." (GTX 1381).

In 1949 du Pont's total dollar sales to General Motors increased from \$3,500,000 in 1948 to \$3,700,000; and du Pont's Annual Market Survey for 1948 stated that du Pont's fabric division sold four million dollars of its fabric to the auto-

motive industry, General Motors purchasing over 80%, or \$3,700,000.

Nickowitz testified that since 1944 when he became Director of Sales at du Pont, sales of coated fabrics to the [fol. 595] automobile industry represented only 20% of the total, and that sales of coated fabrics represented approximately 2%-3% of its sales. He stated the largest customer in the automobile field of the Fabrics Division for the year 1948 was General Motors which purchased \$3,700,000 of fabrikoid, fabrilite and Teal, and that sales to General Motors in that year represented about 80% of the Fabrics and Finishes Departments automobile sales.

### Statistical Fabric Charts

The charts submitted by the Government in this field are GTX 1391 and 1392, showing General Motors' percentage and dollar volume purchases from du Pont and its competitors for 1946 and 1947. These charts indicate that 74.5% of General Motors' purchases of fabrics in 1946 and 60% in 1947 were made from du Pont. Defendants have offered DP 569 showing that in 1946, 52.3% in 1946 and 38.5% in 1947 was purchased from du Pont.

In support of its charts the Government states a study of the evidence shows that the largest usage of any automobile fabric was for upholstery and trim; that GTX 1391 and 1392 reflect the percentage of fabric purchased by General Motors from du Pont for that use. It is stated that one of the chief reasons for concluding that this sole classification is an accurate one and the one most commonly used in the automotive field, was the usage of that term by Thomas A. Nalle, a du Pont fabrics salesman, whose reports are represented by GTX 1349 and 1358. The Government arrived at its percentages by comparing du Pont total sales of fabrikoid, fabrilite and Cavalon to General Motors, as shown on GTX 1344, with only that part of General Motors purchases from du Pont competitors which is shown in GTX 1343A under heading: "Imitation Leather".

[fol. 596] "The defendants object to the accuracy of this •

comparison and to the assumptions on which it rests for the following reasons:

1. The Government's assumption that all fabrikoid, fabrilite and Cavalon sold by du Pont to General Motors is used solely for upholstery and trim is improper; the du Pont sales figures shown on GTX 1344 are for total sales and purchases without regard to the end use of the fabric; the record does not support the assumption that all coated fabrics purchased by General Motors from du Pont were used for upholstery and trim; on the contrary the record shows that these fabrics had other uses such as head linings, winter fronts, seat covers, top materials, case coverings, spring boots, sheet stock, work clothing and curtains.

2. The Government's assumption that only those purchases by General Motors from du Pont competitors shown on GTX 1343A under the heading "Imitation Leather" were used for upholstery and trim is likewise improper; that the record shows that the terms "coated fabrics" and "imitation leather" are used interchangeably and that these separate headings in GTX 1343A were used merely to permit recording in accordance with personal preference in usage of terms, and that in collecting and presenting the figures contained in GTX 1343A, General Motors included under both headings fabrics that were competitive with those offered by du Pont. The Government states that General Motors did not use the fabric suppliers listed under "coated fabrics" as suppliers for upholstery and trim fabric; that they supplied fabrics which General Motors used for other purposes as gaskets, welts, gimps, etc. as is substantiated by the testimony of Nalle and Nickowitz and the documentary evidence. Defense chart DP 569 includes both categories of "coated fabrics" and "imitation leather" figures in its computations.

[fol. 597] The Court is of the opinion that the product comparison made by the defense chart from the base charts, GTX 1344 and 1343A, reflects the proper delineation to be accorded the figures contained therein, and the use figures submitted by the Government calls for assumptions not supported by the record. Thus, the Court concludes that in the fabrics field General Motors purchased approximately 40-50% of its requirements from du Pont for the years 1946 and 1947.



Du Pont since 1910 has been one of the major producers of coated fabrics and related products. At the time of its investment in General Motors it had been engaged in selling such products to the automobile industry for many years and its customers included many of the companies that subsequently became a part of General Motors. Following its investment it continued to sell to the General Motors divisions, and over the years those divisions that use fabric products have purchased them from du Pont in varying amounts.

On the basis of all of the evidence of record the court finds that there was at no time any agreement that bound General Motors to buy any fixed portion of its fabric requirements from du Pont with the exception of the year 1922. In that year it appears that du Pont was promised, and perhaps received, all of General Motors' fabric business. This arrangement grew out of the cancellation of certain contracts in the previous year which caused du Pont substantial loss. It thus grew out of a normal buyer-seller relationship. The Court further finds that such purchases of fabrics as the General Motors divisions have made from du Pont from time to time were based upon each division's exercise of its business judgment and are not the result of du Pont domination. Du Pont, the record shows, has maintained its position as the principal fabric supplier to General Motors through its early leadership [fol. 598] in the field and by concentrating upon satisfactorily meeting General Motors' changing requirements as to quality, service and delivery.

#### Tetraethyl Lead

C. F. Kettering became associated with General Motors in 1918 when it merged with United Motors, a division of which included the Delco Company. He was its General Manager and retained that office after the merger. On December 31, 1920 he was made a director and shortly thereafter a Vice-President of General Motors.

Kettering became interested in exploring the causes of engine "knock" in 1912 or 1913. He conceived the idea that he might lessen the knock and improve the engine efficiency by adding something to the motor fuel.

This was a subject of revolutionary interest in the evo-

lution of the internal combustion engine because until the problem of "knocking" could be solved, the possibility of improving engines and engine performance was limited. The oil and automotive industries both were tremendously interested in Kettering's research.

Research was conducted at the Delco Company, then a part of United Motors, with Thomas Midgley in charge, and was later transferred to the Dayton Metal Products Company, acquired by General Motors in 1919.

During this research Kettering prepared papers and made talks before technical groups, wrote letters, and invited help in the research. Among those interested, who directed an inquiry to Kettering in 1916, was a Mr. Kurtz of du Pont who inquired for more particulars after hearing of a talk Kettering had made in Cleveland. Kettering sent him a copy of a new paper he was about to deliver, also stating "any time we get anything of interest we will be [(ol. 599)] glad to give you the benefit of it." In 1919 Frank Howard of Standard Oil of New Jersey contacted Mr. Kettering because of Standard's interest in the problem. Kettering explained the work he was doing, and Standard started research work on its own.

Through the American Chemical Society, Kettering testified he met some du Pont chemists and after World War I invited them to visit his laboratory to see what he was doing. In August 1919 Dr. Midgley or Dr. Clements wrote to the Manager of the du Pont laboratory listing materials which had been tried in the "suppression or elimination of the kerosene knock" and indicated that a study was to be made of the "homologues of aniline," listed the materials desired to be studied in connection therewith, and requested du Pont to supply them with any information they had on the best methods of preparing compounds which du Pont could not supply, and closed with the statement that "we are anxious to cooperate with you in every possible way." Subsequent to joining General Motors, Kettering testified he continued to call on du Pont scientists for assistance.

On October 28, 1919 K. W. Zimmerschied, Assistant to the President of General Motors, wrote C. M. Stine, Assistant Director of Chemical Research at du Pont that:

"The Dayton Laboratories will continue the broad subject of fuel utilization in internal combustion en-

gines, and your people will take up the development of chemicals which may be added to undesirable fuels for the purpose of converting them into usable products. \* \* \*

"It is presumed that the marketing of this chemical will be a matter of interest to the du Pont organization, and that the expense of developing it will be borne by your Research Département. We are glad to lend [fol. 600] the mechanical equipment \* \* \* without charge for the purpose of this investigation." (GTX 599).

Du Pont's Chemical Director replied that he had no funds available for such work and that in any case the ultimate expense of the research should be borne by whichever company derived the greatest benefit from the work.

On June 20, 1920 Lamont du Pont, Chairman of the du Pont Executive Committee, submitted to it for their approval a form of proposed general chemical agreement between General Motors Chemical Department and du Pont, which the committee approved.

On August 5, 1920 General Motors Research wrote to the Chemical Director of du Pont stating:

"Confirming our conference on my recent visit to Wilmington: I understand that the du Pont Company will cooperate with our Company in placing aniline on the market for use as an anti-knock material, in connection with the aniline injector which we are developing.

"\* \* \* A further working out of this program would comprise the sale of aniline by the du Pont Company through some satisfactory distributing agency, such as has been suggested by the Standard Oil Company, who could give aniline national distribution \* \* \*

"In connection with the above, it was agreed that we would cooperate with du Pont in securing satisfactory patent protection on the above mentioned devices." (GTX 601).

Dr. C. M. Stine, Assistant Director of Chemical Research of du Pont, on April 22, 1920, reported on a conference held in Wilmington at which Mr. Kettering was present and

[fol. 601] members of the du Pont Chemical Department, including Irene and Lammot du Pont and Raskob, wherein "various phases of the proposal to use the Chemical Department of the du Pont Company in a consultant capacity and for research work for the General Motors" was discussed.

On August 14, 1920 Lammot du Pont wrote Kettering that he believed that a memorandum submitted by Mr. Midgley on the results of the conference was substantially correct except in one respect: "We agreed that the du Pont Company would cooperate with General Motors on this aniline subject, provided the manufacture, distribution and sale of aniline for this purpose appeared sufficiently attractive from the profit standpoint."

In connection with the General Chemical Research agreement urged by Lammot du Pont, Kettering replied on October 21, 1921 that the Executive Committee of General Motors was antagonistic to the proposition and after talking with Pierre S. du Pont Kettering wanted to arrange a later meeting between du Pont and General Motors to discuss the whole problem, but that at the present time to consider the matter of the contract "out of the picture." Lammot du Pont again wrote Kettering on October 24, 1921 stating:

"Our understanding of present conditions is that we are expected to take up experimental chemical work for the General Motors Corporation when requested. We have taken up such work from time to time and have consulted and advised from time to time.

"At present we have no definite authority for doing this and have no mutually agreed upon basis of charging for the work or dividing the results in the shape of rights. The purpose of the agreement is to give the du Pont Company definite authority and a basis for [fol. 602] charging, and either reserving or turning over to General Motors any rights that may be developed. It seems to me that this purpose must be accomplished regardless of what arrangement is made with respect to any of the work, and that, therefore, the agreement should be executed at once." (GTX 583).



Research continued for a better anti-knock solution and negotiations with du Pont for the production of aniline were suspended. In December 1921 Kettering's research organization discovered tetraethyl lead to be a more effective anti-knock than aniline. On January 28, 1922 General Motors advised du Pont that their work at the laboratories had taken an entirely different turn and that it had been decided for the time being no contract would be made. On March 18, 1922 Frank A. Howard of Standard was also advised by the General Motors Research that "research work took a very sudden turn in a direction that would indicate that it would be a mistake both on your part and on ours to enter into an agreement such as we discussed."

On March 27, 1922 Lammot du Pont again wrote Kettering stating he had heard nothing from him on the General Motors-du Pont contract regarding experimental chemical work, that the fuel problem was in no way the cause of his present writing, that he felt a general contract should be prepared and executed in order to clear up the present situation, and he had no objections to any suggested changes Kettering would make. Mr. Kettering replied he had taken the matter up with Pierre S. du Pont suggesting it would be well to get some representative of the du Pont Company to come to Dayton to "get a picture of what our problems really are" and that after a time, if "we find it would be desirable to enter into a contract" it would be worked out. Lammot du Pont on April 1, 1922 replied that Kettering seemed to have missed his point stating that General Motors [fol. 603] in its research frequently runs into chemical problems, that the du Pont Company in its research was continually dealing with all kinds of chemical problems, that duplication of staff could be avoided "by an arrangement whereby General Motors has a contract with du Pont" to assign chemical problems to du Pont whenever desired, that an arrangement of this kind should provide for some form of compensation or payment of expenses otherwise the assignment of each particular problem would "require a conference and settlement in each case before work could proceed, which obviously would cause delay and loss." He also said:

"Why can we not execute a general contract to cover any and all future cases?"

"The only reason I can see for not doing so is the decision by General Motors to establish their own chemical staff. If you have come to this conclusion, I have no objection as a representative of the du Pont

Company, and have nothing more to say." (GTX 591). Kettering replied affirming the desirability of the du Pont organization supplementing the work in the General Motors laboratory, but felt that some of the du Pont associates should come out to their laboratory to see "what we are aiming at" and that possibly after such visit "there would be no difficulty whatever in getting together and working this matter out." The following month he replied to Lammot du Pont's renewed urging saying:

"In going through this matter I consider that this is entirely outside the range of the Research Laboratory to enter into a contract of this kind. I am, therefore, turning the matter over to the head of our Corporation and any plan which they may work out will be entirely satisfactory to us." (GTX 594).

[fol. 604] Kettering sent a copy of the proposed contract submitted by Lammot du Pont to Pierre S. du Pont. On November 6, 1922 the matter was permanently closed as shown by a file memorandum written by Lammot du Pont:

"In conversation with Pierre S. du Pont he advised that it does not seem possible at this time to institute any plan for cooperation on chemical research work between General Motors Corporation, his feeling being that as problems come up, special arrangements with reference to each should be made between the two companies, rather than an attempt now to make a general arrangement to cover prospective cases." (GTX 598).

Kettering testified that when the proposed contract was originally discussed at the Wilmington conference, he was opposed to it because "du Pont Company was thinking in terms of manufactured chemicals rather than the research chemicals General Motors was interested in." Sloan also testified: "the fact is that the whole proposition was unsound. Mr. Kettering was against it. Everybody was

against it. It couldn't be considered from the General Motors point of view."

During the negotiations concerning this General Chemical Agreement, on March 22, 1922, Pierre S. du Pont sent a brief report to Irene du Pont on the new "doping" compound—tetraethyl lead—and stated that:

"Mr. Kettering would like to take up the question of manufacture with the du Pont Company representatives at an early date." (GTx 610).

On April 15, 1922 the patent application covering TEL was filed and Dr. Midgley wrote to Dr. Stine of du Pont advising him of the "new anti-knock material" TEL.

[fol. 605] It was Kettering who made the decision to call in du Pont for assistance in the manufacture of tetraethyl lead. In June 1922 Kettering invited Irene du Pont to come to Dayton to discuss the problem. Thereafter, he met with C. S. Mott and Pierre S. du Pont and proposed that the manufacture of TEL be started as soon as possible by du Pont in order to produce about one hundred gallons a day. Sloan testified that he recognized General Motors had no competence in chemical manufacture and that research and manufacture of chemicals were quite different; that the manufacture of tetraethyl lead involved danger and was an entirely new venture, the product never having been manufactured in the United States. He stated du Pont had demonstrated through its war work "its ability to deal with problems involving dangerous materials, such as dynamite; and their well organized research offered the best opportunity for us to produce tetraethyl lead and put it on the market."

Kettering and members of his staff went to Wilmington for a series of conferences with Irene du Pont and members of the du Pont chemical staff. Irene du Pont advised Dr. Stine, Harrington and Reese of du Pont of Kettering's forthcoming visit and stated he was anxious for du Pont to sell Kettering on du Pont's ability to help General Motors on the TEL proposition.

At this time, du Pont without a written contract, undertook the production of TEL using the bromine process developed by Midgley. On September 5, 1922 General Motors Research reported to the Executive Committee of General

Motors that satisfactory progress had been made in the production program, that research and production at General Motors could be dropped, and that the du Pont Company would continue production. Kettering testified he told Sloan that a contract should be made since there was [fol. 606] nothing between the two companies regarding prices or anything else. Sloan wrote Kettering advising him that Irene du Pont also felt that a more definite arrangement between the companies should be made and that an appointment had been made for Kettering, Irene du Pont, Harrington of du Pont, and Sloan to discuss the matter.

On October 6, 1922 General Motors and du Pont entered into a contract relating to the manufacture of tetraethyl lead. Under this agreement du Pont was to build a plant to produce TEL at the rate of one hundred gallons (1300 lbs.) a day using the ethyl bromine process; the price was set at \$26 a gallon; the contract was a "continuing one" but included a provision for cancellation and gave General Motors the right to manufacture TEL itself or have it manufactured by others if at any time du Pont prices should not be the lowest.

The distribution of tetraethyl lead was made in February 1923 at gas stations in Dayton, Cincinnati, and Hamilton, Ohio and by the middle of 1923 had tremendous public acceptance. In April 1923 Midgley of General Motors met with Howard of Standard Oil, which corporation had been interested in the anti-knock project from the beginning. At this meeting Howard revealed a new ethyl chloride process developed by a chemist at Standard Oil. This new process could produce tetraethyl lead at less than \$10 a gallon which was cheaper than the ethyl bromine process. There was a shortage in the supply of bromine from commercially developed sources.

During this time Midgley continued working out distribution arrangements of TEL with the various oil companies, including Standard. Midgley suggested that Standard consider the possibility of its manufacturing TEL and offered that if Standard would establish facilities for manufacturing one hundred gallons of TEL per day, General Motors "would then sign with them a similar contract to the one now in force with the du Pont Company";



that Mr. Howard stated to him they were not chemical manufacturers and suggested a meeting between the principal executives of the two companies to develop a "working arrangement between General Motors and Standard Oil." On June 15, 1923 Mr. Pickard, General Manager of du Pont's Dyestuffs Department wrote to Irene du Pont that Standard had developed a new cheaper process for producing TEL.

On January 28, 1924 Sloan wrote to Irene du Pont, president of du Pont, that he had talked with two or three of the Standard Oil people with reference to TEL; that they reported that in discussing the manufacture of TEL with Kettering and Midgley they had been encouraged to see what they could do in developing a process for marketing TEL; that they had a method covered by patents which gave lower cost of production; that Standard had a contract with General Motors on the distribution of TEL and was urging a deal to license competitors to distribute TEL thereby getting broader distribution which "they claim will be in our interest in return for that they want the right to manufacture for our account tetraethyl lead at a price competitive with the du Pont Company." He expressed his thought that since TEL was still in the development stage that manufacture by Standard should not be discussed and further did not think it was good business "from our standpoint for them to manufacture tetraethyl lead and at the same time have such a large slice of the distribution." In addition he stated he would rather obtain a license from them, pay for it and "get the du Pont Company to use it in reducing the cost" instead of dealing with Standard as a manufacturer. Irene du Pont replied on February 2, [fol. 608] 1924 that du Pont was in accord with that course of procedure and suggested General Motors write Standard indicating it had contacted du Pont on its estimated requirements for TEL "believing that they are the best equipped company to handle complicated organic chemical problems" and also suggesting that Standard contact du Pont "to see if they are in any wise interested in your proposed method for the manufacture of that compound." Sloan sent Irene du Pont a copy of the letter he sent to Standard Oil, and stated he thought it best in view of his conversation with Standard Oil to write along dif-

ferent lines and had taken the liberty of modifying Irene's suggested letter. His letter to Standard stated that because of rapid developments in the plant built for the manufacture of TEL and the fact that the whole picture is more or less in the development stage, it was desirable to refrain from discussing the situation at the present time" but that General Motors would be glad to discuss the relative merits of the two processes and perhaps work out a plan which would preserve the equities."

The minutes of the Executive Committee of General Motors for February 27, 1924, members present being Pierre S. du Pont, Raskob and Sloan, reported that discussion was had on the future policy of General Motors in the development and marketing of TEL and that "it might be possible to work out a plan whereby a company could be formed to control our patents and the distribution of the material which would be jointly controlled by the large oil companies and ourselves."

Several conferences took place in June 1924 between General Motors and Standard Oil on the subject of tetraethyl lead and the possibility of Standard engaging in its manufacture. Standard proposed to erect a one hundred gallon plant, chlorine process, to be installed at the Bayway Refinery [fol. 609] for the purpose of affording "the experience basis for future construction of this process" and "provide an additional one hundred gallons of TEL per day for the end of the peak season, September and October."

On June 25, 1924 Howard of Standard Oil had a meeting with Irene du Pont to be shown through the du Pont plants. Irene du Pont testified that he learned for the first time of Standard's interest in the manufacture of the anti-knock compound. Irene du Pont wrote to Sloan following Howard's visit stating that Howard was anxious to start the Standard plant at Bayway, that Irene appreciated there would be some advantages in having an independent plant operated by General Motors and Standard "as a check on prices charged by the du Pont Company and also to obtain such advantage as there may be in the enthusiasm of the Standard Oil men to put across their own 'baby.'" To this letter Sloan replied indicating du Pont should in-

crease its production and production facilities for TEL; that

"for psychological reasons we should permit the Standard Oil Company of New Jersey to expend \$35,000 or \$40,000 of their own money to experiment with the 100 gallon a day outfit in one of their plants, I believe in Bayway, in a building which they could use temporarily for the purpose. This will serve to satisfy them from the psychological standpoint and it is certain that it will be impossible to operate such an experimental plant successfully when the larger units are running, but will give them a means to work out their viewpoint which certainly can do us no damage when we approach it from the bigger way.

"Any further thought of developing any real production other than under the auspices of the du Pont [fol. 610] Company will be deferred until some later time." (GTX 661).

Sloan wrote to Kettering on July 25, 1924 reporting a conference he had with Howard of Standard Oil for the formation of the company to be jointly owned by General Motors and Standard under the name of the Ethyl Gasoline Corporation. In August 1924 a formal agreement was entered into between General Motors and Standard Oil organizing such a corporation.

This agreement provided that the capital stock of Ethyl be divided equally between General Motors and Standard, each to have a 50% interest; each was to have five directors of the ten members on the Board; each was to grant Ethyl exclusive licenses under all patent rights from their respective patent applications in the field of anti-knock compounds; and each was to grant Ethyl exclusive rights on all future discoveries until August 1, 1940. In addition, the agreement provided that Ethyl would handle the distribution of TEL and would purchase the same.

"in the open market at the lowest price at which it is offered and, to permit competitive bidding, shall offer to-instruct and license any bona fide probable supplier,

including the Standard Company; \* \* \* provided, however:

"Purchases shall be made from E. I. du Pont de Nemours & Company under the existing contract between it and General Motors \* \* \* until the expiration of said contract or until a substitute therefor is made direct with the Ethyl Company." (GTX 668).

The General Motors directors on the Ethyl Board were Sloan, Kettering, Donaldson Brown, Midgley and John T. [fol. 6P1] Smith; the officers were Kettering, President, Howard of Standard, Vice President, and Midgley, General Manager.

Tetraethyl lead is a poisonous substance. Both General Motors and du Pont were fully aware of its toxic effects: Sloan in June 1924 wrote to Kettering regarding the appointment of a board of medical men to study the problem. Sloan and Kettering both testified that General Motors had not invented TEL as a product to add to its line in order to make money producing and selling it, but that its interest was the advance in engine compression and to make a better and more efficient motor car.

The properties of tetraethyl lead made its production on a commercial scale a hazardous undertaking and Sloan stated he fully realized the dangers incident to the manufacture of this material. He testified that he knew Standard was not a chemical manufacturer, that its chief business was digging wells and pumping oil from the ground, and he felt Standard was not equipped to enter the field of chemical manufacture at this stage of TEL's development. His acquiescence to Standard's plant at Bayway was because Standard wanted to try the manufacture of TEL and further he thought something might be learned from the experiment.

During the Summer of 1924 technical planning at Bayway and du Pont's Deepwater plant proceeded, and a difference of opinion emerged between the engineers of the two companies with respect to the manufacturing equipment to be employed in producing the ethyl chloride process. Harrington testified that du Pont advocated a completely closed, airtight system of manufacture, while Standard felt economy would be achieved by permitting



the working force to handle the lead residue directly. After visiting the Bayway plant, Harrington said there was unanimous agreement that Standard's process was [fol. 612] "too dangerous" for du Pont to use, notified Standard to that effect, and received permission from Ethyl to install equipment of its own design.

In October 1924 the Bayway plant was stricken with a series of fatalities resulting from TEL poisoning—there were five deaths within a period of a few days, with many other employees being poisoned. A public uproar followed; exaggerated reports filled the press; university professors made adverse comments; major oil companies announced they would no longer distribute TEL and municipalities banned its distribution. The Standard plant was immediately closed. The New Jersey authorities ordered its dismantling and Standard was ordered not to engage in TEL manufacture. Following this disaster Sloan in writing to Irene du Pont on December 12, 1924 asking him to take a position on Ethyl's Board stated:

"du Pont will always be the manufacturing agent of Ethyl Gasoline Corporation whether we make tetra ethyl lead or whatever we make, now or in the future. I am sure of that. \* \* \* (GTX 710).

Ethyl was forced to suspend its sales of TEL completely. Ethyl requested du Pont to withhold deliveries from its bromine process plant. The figure of \$1.66 per pound was the approximate cost of producing TEL at this plant and \$1.17 at du Pont's chloride plant. Du Pont withheld its deliveries. Howard wrote to Irene du Pont on March 28, 1925 stating the problem following the Bayway disaster as follows:

"while owing to conditions over which neither party has had any control it would have been to the advantage of the du Pont Co. to have continued uninterruptedly to produce lead from its bromine plant and its failure to do so, out of consideration for the interests of the Ethyl Corp., resulted in some loss to the du Pont Co., this is a loss of profit which neither party contemplated at the beginning the du Pont Co. would make. On the other hand, the du Pont Co. is suffering a loss of profits which the parties did con-

template the du Pont Co. would make, through the failure of the chloride plant to deliver the quantity of lead which both parties hoped and expected it would deliver prior to April 15th.

"Owing to conditions over which neither party has had any control, the Ethyl Corp. at the same time finds itself with a stock of over \$1,000,000 worth of lead on hand and deliveries still coming in very much more rapidly than the goods can be marketed at present. This situation was not contemplated by the Ethyl Corp., but, on the contrary, the Ethyl Corp. had hoped and expected to be able to market immediately and at a profit to itself any lead supplied to it by the du Pont Co. prior to April 15th, even though such lead bore a price of \$1.66 per pound." (GTX 677).

He continued stating that he was content to leave the decision in Irene du Pont's hands, "with entire confidence in your reaching a fair conclusion."

Irene du Pont replied to this letter stating:

"apart from the contract we were asked to defer deliveries of material which we could make in January and would have made at a profit. We suggested that these deliveries be simply deferred and not cut out entirely, an eminently fair proposition to make. Owing [fol. 614] to the fact that the Ethyl Gas executives were very busy and/or away, delay would have ensued detrimental to your interests if we had stood 'pat' and waited for you to 'come across'. In our desire to be helpful to the 'picture' we acted on your orders without getting approval for a deferment of the deliveries in question. It seems to me only equitable that you should have accepted our offer of deferment and not take advantage of our efforts to be of service to you. "It is, therefore, my judgment that you should accept delivery at \$1.66 per lb. of the amount of tetraethyl lead which we voluntarily abstained from making and shipping in January, and that, further, if owing to our misfortune at the ethyl chloride plant you are sufficiently short of ethyl lead so as to make a loss thereby, the amount up to that accruing by reason of the lead not delivered in January, should not

be assessed to us on the damage paragraph." (GTX 679).

He admitted that from a law point of view Ethyl might maintain its position, but that the equities indicate otherwise.

When the manufacture of TEL was suspended, there was also disagreement between Ethyl and du Pont as to the settlement to be made on cancellation of their contract. Under the terms of its contract du Pont was to be reimbursed for its expenditures in building the chloride plant. Webb in a letter to Sloan stated that Ethyl had informed du Pont it would be reimbursed for the cost of such building and any expenditure incurred so as to make du Pont "whole". He stated further:

"It seems to me that we should get from the du Pont [fol. 615] Company at the time of settlement assurances of placing us in possession of all facts and data relative to this work, so that we may have the benefit of any information or knowledge gained in such research work. This has not been suggested to the du Pont Company as a part of settlement, but I feel confident that Mr. du Pont will not raise the slightest objection to giving us full and complete copies of or access to this data." (GTX 685).

He also reported that he wrote to Mr. du Pont:

"I naturally assume that if operation of the plant is not resumed during our present contract period and meanwhile it has been paid for by us in accordance with the terms of the understanding which we are now attempting to reach, then it would seem to me that the building, its equipment and appurtenances (excluding land) would be our property." (GTX 685).

but that Mr. du Pont replied:

"If it is your desire that the plant be scrapped at your expense, the proceeds of the scrapping should properly be yours under a general proposition that we shall be made whole. However, the economies of such a procedure are not good, which being the case, it

seems essential that the physical property of unknown and somewhat doubtful value should be left in our hands, perhaps as a compensation for our having waived any profits on the contract." (GTX 685).

Webb stated that "if it should not ultimately be used to manufacture something for us that we be paid the salvage value, whether demolished or converted to some other purpose."

[fol. 616] Howard had written Webb of Ethyl on June 29, 1925 regarding the discussions concerning settlement and stated:

"If at any time the du Pont Co. wishes to make use of the ethyl plant for any purpose, it shall then pay to the Ethyl Corp. the then value of the plant to the du Pont Co. for the purpose for which they contemplate its use." (GTX 686).

He further revealed the sum of \$1,500,000 was to be paid du Pont on account of the settlement. On June 30, 1925 Webb delivered the \$1,500,000 "without any strings attached to it at all" and further discussion of the settlement terms were to be had later with Irenee du Pont.

Irenee du Pont wrote to Webb on July 1, 1925 that Howard's letter of June 29, 1925 relating to the adjustment of the controversy was "not satisfactory" stating that du Pont could not cede ownership of the plant and that

"our contract speaks for itself as regards ceding to you any inventions on the anti-knock compounds but we could not undertake to teach you \* \* \* how to carry on that manufacture as well as we could do." (GTX 688).

Webb replied saying that he considered the salvage or conversion value of the chloride plant as the principal matter to be adjusted between them.

In August 1925 Webb suggested that settlement of the question of ownership of the plant be deferred until the investigation then being conducted by the Surgeon General of the United States was completed, and if the report made by him was favorable Ethyl would make another contract



covering manufacture of TEL with du Pont and "the salvage problem would have answered itself," but this suggestion was not acceptable to Irene du Pont who did not wish to defer the issue. Harrington testified that eventually Webb's suggestion was accepted and the matter was not settled until the contract between Ethyl and du Pont was negotiated in March 1926. Du Pont retained the chloride plant at Deepwater, since in January 1926 the Surgeon General of the United States in a report approved renewal of the business and production of TEL and manufacture was resumed in March 1926.

In the negotiations regarding this controversy Sloan testified he took little part since he wanted to be in a completely unprejudiced position, although he revealed he believed the du Pont position was entirely correct. In March 1925 he wrote to Irene du Pont that he had come to the conclusion it was a mistake to leave the management of Ethyl's property so largely in the hands of Dr. Midgley who was entirely inexperienced in organization matters, and thought progress would be made more rapidly and constructively if there was more of a business side to the development, but that Kettering opposed that idea. He continued that while Standard Oil was not receptive to the idea in the beginning he found later in discussion with Mr. Teagle of Standard that they had come to the same conclusion and it was agreed that Mr. Kettering and Mr. Howard, President and Vice-President, respectively, should resign and "an active President should be appointed of proper ability, administrative and otherwise, to deal with the problems that confront the Corporation". Sloan proposed Earl W. Webb then in the Legal and Real Estate Department of General Motors and Standard accepted the recommendation. Webb was appointed President in the Spring of 1925 when he had made a satisfactory report on Ethyl's operations as a preliminary test of his qualifications.

Ethyl's losses during the shutdown necessitated a series [Vol. 618] of loans from Standard and General Motors and by July 1925 General Motors and Standard had loaned Ethyl \$1,700,000 with authorization for further loans of \$500,000. On May 22, 1925 Irene du Pont wrote to Raskob at General Motors that he approved of the borrowing of

funds by Ethyl from General Motors and Standard and said:

"As the amounts due to the du Pont Co. are in some particulars overdue, I am very glad you can arrange to immediately send the necessary cash to Ethyl Gasoline Corp." (GTX 682).

During the cessation of manufacture at Ethyl's plant, Webb and the Dow officials had a series of conferences on the subject of the manufacture of TEL for Ethyl. Dow had developed a process for producing TEL by means of a reaction which used magnesium. In April 1926 Webb also came in contact with the American Research Laboratories, which also claimed to have developed a process using magnesium and offered to undertake the manufacture of TEL. Webb visited the Dow plant with a representative of the American Research Laboratories and upon seeing the Dow chemical manufacturing facilities, the American Research Laboratories realized "it would be rather foolish for them to venture into anything of this kind", suggested cancellation of the contract and an arrangement whereby manufacture under their process would be conducted by Dow. The American Research Laboratories process proved worthless. Irene du Pont, then a director of Ethyl and aware of American Research Laboratories' desire to manufacture, expressed opposition pointing out that if another disaster occurred after the Bayway disaster only a few months before:

"No amount of explaining will excuse our directors for having encouraged novices to undertake such a dangerous operation." (GTX 711).

[fol. 619] Dow continued as a prospective manufacturer until late in 1926 when it informed Webb it was unwilling to undertake the manufacture of TEL by any process because of the hazard factor.

During these incidents du Pont and Ethyl entered into a contract in March 1926 for the production and sale of TEL. From 1926 to 1937 du Pont sold TEL to Ethyl under a series of short term contracts negotiated for Ethyl by Webb. The 1926, 1928 and 1929 contracts made no reference to patents, improvements or new developments in TEL,

and from 1928 the contracts provided that Ethyl's entire requirements were to be taken from du Pont.

In 1929 Ethyl Corporation gave consideration to the situation that would exist when the basic patents expired—Midgley's to expire December 30, 1947, and the chloride process patent of Standard January 1, 1946. Ethyl, not being a manufacturer, would find it difficult to manufacture the product without knowledge of the du Pont processes. Sloan stated in a letter to Webb of Ethyl that they should make their contracts on the supply of TEL so that the supplier of the lead, the du Pont Company

“together with others later on, would at all times sell to us exclusively” (GTX 748)

so that if tetraethyl lead is still a factor in the fuel situation at the expiration of the patents and there was no restriction on manufacturers as to whom they would sell the material, “there would be no place in the picture for Ethyl.”

In 1930 a new contract was executed between Ethyl and du Pont and in all subsequent contracts between them until 1938, it was provided that if Ethyl would purchase at least 50% of its annual requirements of TEL from du Pont [fol. 620] until January 1, 1938, du Pont would on that date make full disclosure to Ethyl of all its patents, know-how and secret processes on TEL manufacture and would license Ethyl to manufacture TEL under the du Pont patents.

From 1930 to 1937 Ethyl began a long term campaign to put itself in a position to manufacture TEL. Several proposals were considered and rejected before the execution of a Manufacturing Service Agreement between du Pont and Ethyl on January 1, 1938. In 1936 du Pont agreed to build a TEL plant for Ethyl at Baton Rouge, Louisiana and the following year agreed to construct a second plant for Ethyl. Under the 1938 agreement du Pont contracted to construct for Ethyl plants at Baton Rouge, Louisiana, a site selected by Ethyl; lease the du Pont facilities at Deepwater to Ethyl, and operate them as Ethyl's agent in return for a specified percentage of Ethyl's proceeds from operation for the next ten years. Du Pont further agreed to advance certain funds to Ethyl and build such tetraethyl

lead and raw material plants as Ethyl required. In addition, the agreement provided that on the expiration of patent protection in 1948, Ethyl and du Pont would each be free to engage in both the manufacture and distribution of tetraethyl lead.

During the negotiations preceding the ultimate agreement, Sloan replied to a letter from Webb that he was not opposed to contracting to give du Pont 50% of the business of Ethyl but felt strongly that Ethyl should be entitled to any of du Pont's improvements resulting from the manufacture under Ethyl's patents.

Sloan wrote to Lamont du Pont in April 1930 in connection with the proposed know-how clause and urged him to do anything he could to "facilitate this and broaden the base upon which it is developed." Lamont du Pont felt that Ethyl did not have the background to undertake the manufacture of a dangerous chemical.

[fol. 621] On June 9, 1936, prior to the ultimate agreement, a comprehensive report and study of the origin and early history of the tetraethyl lead business, including suggestions on arrangements to be worked out between Ethyl and du Pont, was made on behalf of the du Pont Company by N. P. Wescott and submitted to F. Spaare, Director.

During the pre-1938 period du Pont fixed its prices on the sale of TEL to Ethyl at a level high enough which would give du Pont a manufacturing profit equal to one-third of the total profits derived both from the manufacture and distribution of TEL, and the remaining two-thirds to be divided equally between General Motors and Standard in the form of dividend payments from Ethyl, after deducting the royalty due General Motors on its patents. From 1930 to 1937 du Pont's total profits from Ethyl's operations were approximately \$35,000,000 and General Motors and Standard received dividends of approximately \$30,000,000 each, and in addition General Motors received the sum of \$19,000,000 in royalties.

The Manufacturing Service Agreement in 1938 provided a compensation of 30% of Ethyl's gross operating profits to be paid to du Pont. The 30% was premised on a minimum of 53,000,000 pounds of tetraethyl lead and one-tenth of the profits for production above that figure.

The percentage of profits received by du Pont is reflected



in the defendants' chart which premises the ratio of du Pont profits to Ethyl's profits on figures before taxes and bonus of either corporation. The basic figures used by the Government chart also show du Pont's profits before taxes and bonus. The average share of Ethyl's gross operating profits which du Pont received during the 1938-1948 period was 18%.

Shortly after the 1938 agreement Standard Oil conveyed [fol. 622] to du Pont and Ethyl the information that a new oil cracking process in the gasoline industry would require an expansion in the production of TEL, and necessitate the erection of additional plants at Ethyl's Baton Rouge site.

On December 31, 1947, all the basic patents relating to the production and use of TEL having expired, du Pont and Ethyl discontinued operations under the 1930 agreement and each went its separate way. Ethyl's lease on du Pont's Deepwater plant expired at the same time and du Pont undertook to manufacture lead for its own account. Ethyl took over the direct operation of the larger plant facilities at Baton Rouge. Both sold their respective fluid to oil companies. J. R. Sabina, a du Pont executive, testified that beginning in 1945 du Pont began to expand its petroleum products staff; a petroleum laboratory was organized in the Fall of 1947, and in anticipation of freedom from Ethyl's patent in 1948, every oil company in the United States had been personally visited and orders were solicited.

In 1948, all but seven of the fifty-nine companies that dealt with du Pont had dealt previously with Ethyl. In 1948 du Pont owned at Deepwater the four original plants constructed before 1938, and Ethyl owned five plants at Baton Rouge, four of which were designed to have the same size and capacity as the Deepwater plants. In 1948 du Pont had a capacity of between 180,000,000 and 194,000,000 pounds per year for its four plants, or about four-fifths of Ethyl's capacity. John F. Daley, General Manager of the Organic Chemical Department at du Pont, testified that in selling to the oil companies, the Ethyl trademark was very much of an obstacle. He also testified that du Pont lost customers to Ethyl and vice-versa in the years following the severance.

The evidence with respect to the discovery and development of TEL fails to establish the Government's charges.

[fol. 623] It will not support a finding that the discovery of TEL was surrendered to du Pont pursuant to any agreement that du Pont was to have exclusive rights to General Motors chemical discoveries. The record, rather, establishes that the services of du Pont as a manufacturer were secured by General Motors in the unrestrained exercise of its own judgment. Kettering appears to have been largely responsible for this decision, and neither the alleged pre-existing agreement nor du Pont's stockholdings in General Motors was the basis of the decision. It is clear that General Motors' lack of experience in chemical manufacture and du Pont's superior competence and wide experience were the reasons for the decision.

Similarly, du Pont retained its position as the manufacturer of TEL by reason of the continued high quality of its performance. The Court finds that General Motors and Ethyl Corporation were at all times free to turn elsewhere and were not coerced in any way to continue purchasing from du Pont.

#### Kinetic Chemicals, Inc.

In 1928 Frigidaire and its leading competitors were using sulphur dioxide as a refrigerant, a chemical presenting health hazards. Pratt, Kettering, and E. G. Biechler, General Manager of Frigidaire, expressed a desire for a new safe refrigerant and Mr. Midgley was assigned the task of working on the problem. An appropriation for this research was approved by Frigidaire. The objective sought by this research was a refrigerant which had a suitable boiling point, non-toxic and non-inflammable, and which had a distinct but not unpleasant odor.

Thomas Midgley spent eighteen months on this project and by the end of 1928 had determined that Freon 12 (F-12) met the above requirements and the discovery was [fol. 624] patented, with patents being assigned to General Motors. The principal elements of freon were chlorine and fluorine, both being dangerous and toxic. During 1929 and early 1930 Midgley continued to work on Freon "to develop suitable manufacturing processes." In August 1929 Pratt approved the erection of a small plant to produce F-12 in quantities sufficient to make laboratory tests. Frigidaire erected a semi-commercial plant in the Winter of 1929-1930.

In March 1930 Biechler wrote to Pratt stating a decision on the manufacture should be made as quickly as possible, recommending that either Frigidaire or some other division of General Motors manufacture the same because he felt

"a great deal would be gained if we would control this rather than let a chemical company do it." (GTX 838).

Pratt, on March 15, 1930, although having approved the small scale production for test purposes of Frigidaire, stated:

"It is quite a fundamental step for us to start General Motors in chemical manufacture. Up to this time we have more or less elected to confine ourselves to the mechanical side of manufacture and I do not want to depart from this until a very thorough consideration has been given to all of the factors involved." (GTX 839).

He stated that he would have to discuss the same with Sloan. When he did so, Sloan agreed that General Motors should not manufacture the new refrigerant. Sloan testified that he took that position on the basis of General Motors' lack of competence to manufacture a material involving the dangers in manufacture "somewhat analogous to TEL." Sloan left it to Pratt to investigate and develop [fol. 625] a suitable program for supplying Frigidaire's requirements of F-12. Without consulting Sloan further, Pratt went to see H. F. Harrington of the Dyestuffs Division of du Pont and suggested that a joint company be formed between General Motors and du Pont to sell freon. He testified he selected du Pont because of their experience in handling dangerous chemicals and because he had confidence in the du Pont people. Biechler expressed his pleasure that the responsibility of manufacture had been assumed by du Pont. The desirability of getting into the production of freon quickly was recognized by all.

Harrington and Pratt agreed substantially upon the details of the contractual agreement and Pratt suggested that the new company be owned 51% by du Pont and 49% by General Motors, so that operating responsibility rested on du Pont which had the personnel and experience required

for manufacture. Pratt also suggested a provision that future chemicals developed by General Motors be first offered to Kinetie, the joint company.

The formal agreement organizing Kinetie was executed August 27, 1930 and was approved by the General Motors Finance Committee, the minutes reciting:

"It was felt that because of the experience of the du Pont Company in the chemical field that it is to the interest of General Motors Corporation to arrange with the du Pont Company for the commercial development and production of these chemicals rather than for us to undertake the organization of the necessary personnel, technical staff, etc. for their production; and in order to give the du Pont Company an incentive for the most efficient development of these chemicals it was considered mutually advantageous that the du Pont Company should have the right to subscribe to [fol. 626] 51% of the stock of the Kinetie Chemicals, Inc. Under this agreement a royalty will be paid to General Motors for the right to use the inventions transferred to Kinetie Chemicals, Inc. as covered more fully in the agreement." (GM 238).

The clause regarding future General Motors chemical discoveries required that the offer to Kinetie of any such discovery should be "on such terms as may be mutually agreed upon." The new corporation had a board of directors of five members—three selected by du Pont and two by General Motors; its personnel was furnished by du Pont and the latter received a management fee of \$50,000 a year; General Motors granted Kinetie an exclusive license on its patents covering freon and received a royalty in the amount of 5% of sales.

The process used by Frigidaire during the experimental period was found to be so expensive as to be commercially prohibitive. Du Pont chemists assigned to the problem succeeded in developing a feasible commercial manufacture which reduced the costs. In addition, an essential raw material—anhydrous hydrofluoric acid—was not commercially available in sufficient quantities and du Pont invented and patented for Kinetie a process which enabled Kinetie to make its own acid.



The New York Fire Department was disturbed over the possible danger in the use of freon and du Pont was able to demonstrate its properties as being a safe refrigerant. Du Pont, through Kinetic, also undertook a general educational campaign to convince the public of its safety.

With respect to the clause regarding future chemical discoveries by General Motors, Pratt wrote to Lamont du Pont on July 20, 1931, as follows:

[fol. 627] "This clause was placed in the Kinetic agreement because we wanted to remove from some of our organization the temptation of attempting to build up within General Motors an independent chemical manufacturing activity and to place any developments along chemical lines in an organization in which we have confidence from the standpoint of their ability to carry on chemical manufacturing process.

"To summarize, as far as I am concerned I hope to see General Motors Corp. utilize to the fullest extent the chemical experience of the du Pont Company in manufacturing any chemical compounds that General Motors laboratories may discover, where there is a possibility of commercialization." (GTX 899).

Clause Seventh of the agreement provided:

"\* \* \* it being further agreed that future chemical developments (other than those relating to 'said products') originating in the laboratories of General (Motors), or its subsidiaries, shall be offered by General to the New Company, on such terms as may be mutually agreed upon, and if after six months the New Company shall elect not to exploit such new chemical developments, the General shall be free to dispose of the same elsewhere." (GTX 850, p. 3).

Pratt suggested this clause for the reason he believed that "General Motors instead of having a lot of different activities" might wish to use Kinetic as a single vehicle for developing any chemical discovery it made. He also testified that during the existence of the clause, no development was turned over to Kinetic.

In May 1944, fourteen years after the agreement, John T. Smith, General Counsel for General Motors, gave his

opinion that this clause was "unenforceable," and the two [fol. 628] companies by formal contract cancelled it in its entirety on June 6, 1945.

In the Fall of 1923, Biechler reported to Pratt that the supply of lithium chloride necessary to be used in an air-conditioning system which Frigidaire was developing was limited and asked Pratt to investigate the possibility of additional supply of lithium chloride. Pratt informed Harrington confidentially of the Frigidaire work on the air-conditioning system, asked whether du Pont could provide the additional supply, stated that he would rather have the du Pont Company undertake the chemical development than General Motors, and inquired whether it would be an industry in which du Pont would be interested. He testified, "It was a business that required mining, and just a complete new business that wasn't in line with anything we were doing." General Motors did not pursue the experiment using lithium chloride and there was no need for an additional supply of the lithium chloride refrigerant.

From the outset, Freon 12 and all of the freons, with one exception, were offered for sale to all refrigerator manufacturers. Thomas Midgley in 1932 discovered Freon 114. Each of the freons had distinct properties and were suitable to different uses and types of refrigerator machines. Frigidaire developed a rotary compressor for its household refrigerators and discovered that Freon 12 could not be used efficiently in the new compressor. Freon 114 was found to be effective and a product patent was obtained.

The Kinetic Board on September 29, 1932 approved the construction of a plant to manufacture F-114 and it further [fol. 629] then resolved that for the time being commercial distribution should be confined to Frigidaire. Pratt testified that Frigidaire had developed its own machine, developed the special refrigerant for it, and to release that refrigerant would cause competitors to duplicate their machine.

The exclusive sales policy on F-114 continued, and in 1938 Sears Roebuck threatened an appeal to the Federal Trade Commission to force the release of this freon. In the Fall of 1938 W. W. Rhodes, Sales Director of Kinetic, reported to its President, E. G. Robinson, that a market for approximately one million pounds of F-114 a year could be obtained if sales restrictions were lifted.

Harrington testified that the attitude of the du Pont members on Kinetic's Board was that for the first year or two it was reasonable for Frigidaire to make the request for exclusive use, and after that argument regularly ensued between General Motors and du Pont on this policy but "General Motors was so urgent and so insistent on the thing, rather than create the ruction that would be involved if we just completely overrode them, the du Pont directors went along and allowed the product F-114, to be exclusive for quite a long time."

Following the challenge Sears Roebuck had made, the Kinetic Board on October 3, 1938 met again to review this policy. Harrington testified at this meeting "General Motors was more vehement than ever that we should reserve the thing to them for a further length of time, and in order to keep peace in the family we agreed."

General Motors General Counsel, John T. Smith, wrote to Ernest R. Breech, General Motors Vice President, on May 8, 1939 on the exclusive use by Frigidaire and concluded that the best way to protect Frigidaire in such use was to have Kinetic Chemicals grant an exclusive license [fol. 630] to it. This recommendation was adopted and an agreement executed on September 18, 1939 accomplishing such result. During the war Frigidaire granted permission to others to use the refrigerant. In June 1943 the question of its unlimited sales again arose and in 1944 the product was offered for sale generally when the exclusive use license to Frigidaire was cancelled. However, F-12 proved to be a cheaper and better refrigerant, and Sears Roebuck refused to purchase F-114 when it was offered to it, and no manufacturer of household refrigerators uses F-114 today, including Frigidaire.

The Development Department of du Pont reported to the Executive Committee in April 1945 on anticipated post war demand for freons and their future promise in plastics and other fields, and recommended that du Pont negotiate for the purchase of General Motors interest in Kinetic if General Motors indicated a desire to sell.

The actual purchase of General Motors interest in 1950 was preceded by negotiations which began in 1948. On January 1, 1950, General Motors sold its 49% interest for approximately ten million dollars. Since this purchase was

subsequent to the filing of the complaint in the instant case, the Department of Justice was consulted, and it assured du Pont in writing that it did not oppose the purchase and if it were carried out the prayer in the complaint seeking divestiture from du Pont would be dropped. Upon that assurance the purchase was made.

### Synthetic Rubber

In January 1926 Sloan authorized Midgley to conduct some research on synthetic rubber under Kettering's supervision, authorizing a budget of \$60,000 for the first year. When Midgley had worked two months on the project, [fol. 631] James McEvoy, Director of the General Motors Patent Section, wrote to Sloan expressing concern about Midgley's project, criticized Midgley's research technique as being deficient in failing to give sufficient evaluation to existing literature in the field, and indicated that Midgley was wasting time and money because prior patents existed on the discoveries he was trying to make. Sloan decided to let Midgley continue, pointing out that Midgley was "a research man first and foremost", and stated that he fully recognized that it was a problem on which it would take over six months to accomplish anything. Midgley went ahead with his research, and under arrangements approved by Sloan conducted his research in the Thomas and Hochwalt Laboratories in Dayton.

A year after this work began, Lamot du Pont heard of it and stated that du Pont had been working on one phase of synthetic rubber and was not conducting as broad an investigation as General Motors. In writing to Raskob, he questioned the advisability of General Motors spending this money, since a great deal of work had already been done on the subject by competent people and well organized research groups; he thought that the du Pont Company, which had also been doing some research, was better equipped for the purpose than General Motors. He further stated:

"Should General Motors be successful in developing a process, it would probably not be desirable for it to go into the manufacture; whereas if du Pont were successful, it is just the kind of manufacturing opera-



tion which the Company should be qualified to enter. This is an additional reason why du Pont should work on the problem rather than General Motors.

"In view of the above, it seems to me that either Gen- [fol. 632] eral Motors must be making a mistake in working on this problem, or du Pont is making a mistake in not working on it in a broader way. Won't you refer this letter to the party responsible for General Motors having embarked on this investigation, and ask him to let me know the reason which has guided his decision to undertake the work." (GTX 888).

Raskob replied that the rubber situation was very close to General Motors Corporation and it was tremendously important for the corporation to interest itself in every possible phase of it, and further felt that the laboratories were equipped to do the research that was being conducted. Raskob referred Lammot du Pont's letter to Sloan, who also wrote to Lammot du Pont defending the research being conducted. Lammot du Pont replied that he regarded synthetic rubber to be a problem which would tax the facilities of the most complete laboratory, but

"Do not let me trouble you any further on this point—I am not trying to force upon you my views or opinions. If I have put into your mind the thought that possibly synthetic rubber is not a suitable subject of investigation by the General Motors Chemical Department, then I am perfectly willing to accept your decision." (GTX 891).

In February 1927 Sloan again wrote to Lammot du Pont that he thought it was desirable to encourage people in the General Motors organization that he had done so in Midgley's case even though he did not expect the research to accomplish much, and stated:

"As I said before, if nothing tangible develops during the current year, I shall feel fully warranted in feeling that he has been given his chance and that, [fol. 633] considering we are not directly concerned even if we are greatly indirectly concerned, we might

better transfer his efforts to some other direction." (GTX 892).

Lammot du Pont replied acknowledging the letter and stated that he appreciated fully the desirability of allowing good minds to "have a little more than the normal amount of rope", and that du Pont followed this also since it tended to "keep up the enthusiasm and interest of all concerned."

In March 1927 Midgley suggested that his work be reviewed by a "good rubber chemist". Sloan replied that he thought this was a mistake since he felt a chemist in commercial practice and even the du Pont Company would not have the imagination, sympathy, and enthusiasm possessed by Midgley, and preferred to leave the determination to his own judgment, supported by Mr. Kettering.

Midgley went forward during 1927 with his research and made his progress reports directly to Sloan. In December 1927 McEvoy wrote to Pratt that Midgley knew nothing about the subject he had not learned from others and recommended that the "whole operation be terminated".

By April 1928 the price of rubber had dropped from \$1.00 to twenty cents a pound. Midgley thought that if he could produce a synthetic rubber it would cost not less than thirty-five cents a pound. Sloan testified that both Midgley and Kettering then determined that General Motors should abandon the project. In late March or early April 1928 it was decided that while the work for General Motors should cease, Midgley could have all the equipment and continue the research on his own if he desired. On April 27, 1928 an agreement to that effect was executed.

Midgley went ahead on his own, but as Sloan testified, [fol. 634] he never succeeded in solving the problem, but made some very outstanding contributions to the evolution of synthetic rubber.

The evidence relating to the formation and operation of Kinetic Chemicals and to General Motors synthetic rubber research does not establish that General Motors had agreed to surrender or was bound to surrender to du Pont its chemical discoveries.

The Court finds that du Pont did not terminate or in any way limit General Motors research on synthetic rub-

ber, although Lammiot du Pont, as well as others in General Motors, suggested it was an inappropriate project for General Motors to undertake. Despite this suggestion Sloan directed that the project should be continued. The evidence bearing on the entire incident is inconsistent with either a basic agreement with respect to General Motors chemical research or with du Pont domination of that research.

The provision of the agreement between du Pont and General Motors establishing Kinetic Chemicals Company which related to further chemical discoveries is no longer in effect, having been eliminated some years before the Complaint herein was filed. The Court finds that this agreement was not executed pursuant to any prior understanding or arrangement that du Pont was to have the exclusive right to discoveries of General Motors. On the basis of the evidence of record, particularly the testimony of Sloan and Pratt, the Court finds that General Motors entered into the contract because those responsible in General Motors believed that Freon could best be manufactured by du Pont rather than by General Motors itself or by some other chemical company.

[fol. 635]

#### Antifreeze

In connection with the glycerin-alcohol incident in 1926, du Pont's proposal that General Motors make a contract to purchase ethyl alcohol from du Pont was rejected by the General Purchasing Committee even though in 1927 du Pont quoted a "special price".

General Motors commenced selling antifreeze in 1933 using glycerin purchased from Glycerin Producers Association. In 1935 the association advised General Motors, which sold the antifreeze to its dealers for resale to the public, that due to a glycerin shortage, none would be available for 1936. General Motors made an effort to meet its needs by trying to purchase ethylene glycol from Union Carbide, which was sold under the name of Prestone. Union Carbide was unwilling to accept the condition that it be furnished under General Motors' private brand name.

Before 1929 du Pont was engaged in the production of a synthetic methyl alcohol known as methanol. In 1930 it

sought an outlet for it. Du Pont marketed the product in 1934 under the trade name Zerone and sought to persuade General Motors to purchase it for resale to its distributors. Zerone had a large market by the end of 1935, but du Pont was unable to sell it to General Motors.

Du Pont made no sales of antifreeze to General Motors until 1936, when it agreed to General Motors' condition that the product be sold under its private brand name. Elmer F. Schumacher, Director of the Polychemical Department at du Pont, testified that at that time he had become aware of the volume of General Motors business and "couldn't forgo the opportunity to enlarge our sales of methanol", capitulating to General Motors' demand on the brand name. Irvine W. Thompson, General Parts & Accessories Merchandising Manager of Chevrolet and General [fol. 636] Manager of the Parts Division, testified that after the notification from the Glycerin Producers Association, General Motors immediately sought to find a source of supply for the non-permanent, or methanol antifreeze; that permanent type antifreeze sources were limited to Union Carbide and that company was not interested in contracting with General Motors. He stated that after canvassing every source available for methanol type antifreeze, a contract was signed with du Pont. Contracts were made for six months duration because of future possibilities of getting a better price or product. General Motors purchased this type of antifreeze from du Pont for the period 1936-1940 and packaged the same under the private brand name. It purchased the product from du Pont because it was the only available supplier and because it offered both quality and fair price.

Thompson, who was in charge of General Motors purchases of antifreeze, testified that each season bids were solicited from all known suppliers and a thorough canvass was made for other sources of supply. According to his testimony, the General Motors Divisions continued to buy from du Pont "because we felt very definitely that they gave us the best product at the best price."

In 1939 du Pont developed a new process for making a permanent type antifreeze, described as ethylene glycol, and sold it under the trade name Zerex. The product was approved by the General Motors Laboratories and in 1940



purchasing of this product began and continued until 1953. Du Pont and Union Carbide were the only two producers of ethylene glycol antifreeze. Both Schumacher and Thompson testified that during 1946 and 1947 this type and the methanol type were in short supply; and ethylene glycol was not produced in quantities to meet the market demand until 1952-1953. Du Pont packaged both the methanol and [fol. 637] ethylene glycol products under General Motors private brand name.

In 1946 and 1947 General Motors purchased 97% of its antifreeze requirements from du Pont. In 1951 when du Pont advised General Motors that it could no longer sell either type of antifreeze under the private brand name for the reason that its purchases were a small portion of du Pont's total sales and too costly to accommodate the packaging requirements, General Motors sought to find another source. In 1953 when other sources became available, Buick, Chevrolet and Pontiac turned to a competitor who agreed to General Motors private brand packaging. Du Pont presently sells antifreeze for resale only to Oldsmobile.

The only evidence offered by the Government in support of its contention as regards antifreeze is that in recent years General Motors has purchased practically all of its requirements from du Pont. The proof offered by the defense, however, establishes that General Motors determined initially to make such purchases because du Pont was the only available supplier that could meet General Motors' demands as to price, quality and delivery. The defendants' proof further shows that General Motors re-examined the supply situation each year and sought regularly to obtain new sources of supply. The Court finds this proof convincing that General Motors was not limited by agreement or by du Pont domination in its purchases of antifreeze and bought from du Pont only because it believed that du Pont best served its needs.

### Miscellaneous Products

#### *Electroplating Chemicals*

Electroplating is a process of depositing a coating of one metal upon another and is a highly technical field in [fol. 638] which metallurgists disagree sharply in assess-

ing relative merits of various processes. In 1934 du Pont developed the first improved copper plating process known as du Pont's "High Speed Copper", and development work on it was done for the next four years. When it was offered in 1938 it was accepted and adopted by a number of electroplaters which supplied the automobile industry, including companies, which did work for Chrysler, Studebaker and Nash. In addition, du Pont sells chemicals for copper electroplating and has sold to electroplaters materials for zinc, cadmium, and tin plating, including sodium, copper, zinc, cyanides, anodes, additive agents and brighteners, even though the most important of its processes was the "High Speed Copper" method.

There are three processes for copper electroplating—the cyanide process in which du Pont is interested; the acid copper method developed by General Motors Research; and the pyrophosphate process.

Chevrolet installed the du Pont process in 1939 and discontinued it within two months returning to heavy nickel electroplating. During the nickel shortage, it installed the acid, "Day-Brite" and pyrophosphate "Unichrome" methods.

Ternstedt, a Division of General Motors which is relied upon by the General Motors car units for their electroplating, installed the du Pont copper process in 1938 and discontinued it in 1939. It adopted the General Motors Research acid process in 1939.

Buick has never used the High Speed Copper process, but does little electroplating.

Cadillac has continued to use the High Speed Copper process and purchases the majority of its chemical requirements for it from du Pont since its introduction in 1938.

[fol. 639] Oldsmobile did not adopt the High Speed Copper process until 1941 and used it until 1949 when it shifted to a competitive process.

Pontiac adopted the process in 1940 for part of its plating work and in 1950 shifted entirely to a different and competitive process.

Although Cadillac and AC Spark Plug use the du Pont process for the major part of their plating operations, eight of the nine General Motors Divisions have installed it for varying periods of time and have gone to other proc-

esses for all or a major portion of their electroplating process.

In a du Pont study of the electroplating industry in 1945 or 1946 it was reported that unless certain difficulties in the high speed copper process were eliminated or greatly minimized, a "further serious loss of business will result". However, the study reported that "regardless of the difficulties with High Speed Copper \* \* \*, the process, because of certain basic factors, has a greater potential field of usefulness than any offered by competition."

Du Pont's Durobrite process of zinc plating is used by Delco-Remy which does a substantial amount of zinc plating, although Chevrolet, which also does a substantial amount of zinc plating, and purchases a portion of the zinc and sodium cyanide from du Pont, does not use it. Du Pont's two processes, "Zin-O-Lyte" and "Durobrite", are well established in the trade and enjoy a major part of the business in the plating field.

### *Case Hardening Chemicals*

Prior to its acquisition by du Pont in 1930, R & H Chemical Company supplied sodium cyanide, a chemical used for hardening steel surfaces, to all of the automobile manufacturers. Sodium cyanide was imported from France in substantial amounts; before du Pont entered the field, Chevrolet and Buick Divisions of General Motors were using case hardening materials.

Beginning in the early 1930s the first of two departures from the sodium cyanide method of case hardening occurred. A new chemical product was introduced on the market by another chemical manufacturer, called "Aerocase". This and other subsequently developed processes by Perlton, Holden and Parkcase resulted in a loss of business for du Pont. With these newly developed processes, Chevrolet, Buick and GM Truck turned to the newly accelerated deep case hardening method.

When Aerocase was introduced by the American Cyanamid Company, Buick became the first major user. Du Pont sought to develop a competitive product and in 1933 introduced Ducase, which was never adopted for general use since it was not the complete answer to the type of case hardening requirements of many large customers.

In the 1930s shortly after Aerocase was introduced, a gas carburizing process was developed wherein the steel to be case hardened was run through a furnace into which gas was introduced at high temperature. Initially the larger installations for gas carburizing were expensive and the largest units of the automobile manufacturing industry were the first to convert to this method. Buick commenced displacement of liquid hardening with the gas process in 1936 and in 1937 Ford had partially converted to the process. Saginaw Steering Gear Works of General Motors and Chevrolet Gear and Axle started the new process in 1937.

In 1937 du Pont conducted a comprehensive survey of the quality and type of casehardening material used in [fol. 641] the Chicago territory, including Michigan. The survey showed that automobile manufacturers other than General Motors were buying 88% of their case hardening requirements from du Pont while General Motors bought only 47% of their requirements from them. Of four divisions using over 100,000 pounds per year of case hardening products, two bought less than 5% from du Pont and two bought over 90%. In 1937 Ford was buying a greater quantity of case hardening materials from du Pont than all General Motors Divisions combined.

With the new gas carburizing process liquid case hardening operations were largely displaced by the new process, although a demand for du Pont case hardening materials still exists.

Cadillac purchased its needs from R & H before its acquisition by du Pont in 1930 and continued to do so under 1935; from 1935 to 1947 it obtained its case hardening materials from competitors. Since 1947 Cadillac has used the gas process to an increasing extent and purchases its liquid hardening materials in part from du Pont and in part from du Pont competitors.

Buick purchased none of du Pont's case hardening materials until 1946, using imported sodium cyanide or competitive case hardening salts. Since 1946 Buick has purchased du Pont materials for a minor part of its liquid case hardening operations and has converted the majority of its operations to the gas process.

Chevrolet Gear & Axle and Saginaw Transmission pur-



chased a minor part of their case hardening materials from du Pont prior to 1938, purchasing the bulk of their requirements of sodium cyanide from importers and other competitors. In 1938 du Pont developed a special case hardening material for Chevrolet Gear & Axle which pur- [fol. 642] chased substantial quantities thereafter. Saginaw Transmission continued to purchase imported cyanide until such material became unavailable. Since 1946 most of the Chevrolet plants have purchased part of their materials for liquid case hardening from du Pont and part from its competitors. Chevrolet's case hardening operations have been largely displaced by gas carburizing.

Oldsmobile purchased no du Pont case hardening materials prior to 1937. From 1937 through 1946 Oldsmobile purchased some of du Pont's sodium cyanide and small quantities of du Pont's heat treating salts. Since 1947 Oldsmobile has used the gas hardening process to an increasing extent and purchased its requirements of liquid case hardening materials entirely from du Pont competitors.

Pontiac purchased only a minor part of its requirements of case hardening from R & H before the acquisition and from du Pont thereafter. Since 1938 du Pont has sold no case hardening materials to Pontiac except for small quantities of high-purity sodium cyanide.

General Motors Truck & Coach, A. C. Spark Plug, Ternstedt, and Saginaw Steering Gear all have displaced their liquid case hardening processes with gas and purchase only small quantities of du Pont's sodium cyanide. Brown-Lipe-Chapin and Frigidaire prior to 1930 had purchased sodium cyanide from R. & H. Brown-Lipe-Chapin continued to purchase from du Pont for about two years after its acquisition of R & H, using competitive materials for a majority of its case hardening operations until they were discontinued in 1936. Shortly after the acquisition of R & H, Frigidaire commenced using imported sodium cyanide and other competitive materials. Since 1946 it has purchased some sodium cyanide and carburizing salts from du Pont. Delco-Remy and Delco Products purchased all their case hardening requirements from R & H prior [fol. 643] to 1930 and continued to buy from du Pont until 1941 and 1948, respectively. Delco Remy since 1946 and

Delco Products since 1948 purchased sodium cyanide and small quantities of heat treating salts from du Pont, purchasing other case hardening materials from du Pont's competitors.

Before the advent of the new processes, du Pont's sodium cyanide was from one-half to one cent higher per pound than the imported product. In 1947 and 1948 when no imported sodium cyanide was available du Pont supplied all the requirements of 96-98 per cent sodium cyanide to General Motors and other users.

In addition to sodium cyanide, du Pont developed accelerated salt and carburized salt to meet the competition of Aerocase. These compete with the other liquid case hardening products, including sodium cyanide.

### *Rubber Chemicals and Synthetic Rubber*

Ernest R. Bridgewater, Director of Sales for the Rubber Chemicals Division of du Pont, testified that he believed this Division enjoyed about 25% of the rubber chemicals requirements of the Packard Electric and Inland Manufacturing Divisions of General Motors; that du Pont is the second largest supplier to these divisions. Of 65 rubber chemicals which du Pont offers, there were only three that du Pont supplied to these Divisions in larger volume—M.B.T.X., Thiuram M and Thionex.

About 15% of the Rubber Chemical Division's sales are comprised of rubber chemicals; the remaining 85% of the business of this division being represented by sales of neoprene, du Pont's synthetic rubber product.

Neoprene, the first synthetic rubber made on a commercial scale in the United States, is regarded as one of the outstanding achievements of du Pont's research. It was introduced in 1931, receiving acceptance in the market because of its resistance to oil, heat and sunlight. By 1940 more than three hundred rubber fabricators were using neoprene. Neoprene competes with other synthetic rubbers and with natural rubber. Some synthetic rubbers are less expensive than neoprene.

Automotive radiator and heater hose made of neoprene are being used as standard equipment by Chrysler and Ford because their experience in using this hose has demonstrated advantages for neoprene which justify its higher cost.

Buick once used neoprene for radiator hose but discontinued its use and switched to butyl rubber which cost seventeen cents less per pound than neoprene. Du Pont did not consider reducing the price of neoprene to retain the Buick business because

"we sell 'neoprene' at the same price to everybody . . . so that if we were to reduce the price of 'neoprene' for Buick, we would have to reduce it for everyone, and we could not afford to do that." (Bridgewater 4987).

Chrysler and du Pont worked together to pioneer a synthetic rubber adhesive based on neoprene to replace old countersunk brass rivets formerly used to attach brake linings to the brake shoe. At General Motors adhesive for this purpose was based on a Buna-N type of synthetic rubber which is more expensive than neoprene. Du Pont sought to sell neoprene to General Motors as an adhesive for use in brake linings but was not successful. A du Pont trade report stated that General Motors would not use neoprene in resilient applications where oil resistance was the primary requirement.

Chrysler and Ford purchase and use neoprene for covering electric wires, seals, gaskets, and have used it to a greater extent than any General Motors Division.

[fol. 645] General Motors followed the common practice of using sub-contractors for major parts and these were left to choose adhesives for brake linings as they desired consistent with specifications, whether it be neoprene or some other material, and du Pont sales efforts were directed to General Motors sub-contractors. Chevrolet Division on one occasion supplied du Pont with the names of its sub-contractors who were supplying it with axle seal, but did not specify the material to be used in their manufacture. Chrysler also provided du Pont with a list of its suppliers fabricating its synthetic rubber parts and included the specifications.

Du Pont also sought to interest Fisher Body in using neoprene for weather stripping. Fisher admitted it was to its advantage to use neoprene but that the price was too high. Since 1945 the du Pont Fabrics Division has sought to sell Fisher Body its special rubber cement—Fairprene

5115—to fasten weather stripping to automobiles. Fisher Body uses about one million dollars worth of adhesive annually. It was not until 1951 that du Pont secured an order for this product although it was equal competitively to others. Since 1951 du Pont secures about 3% of this business. Louis Weyand of Minnesota Mining & Manufacturing Company testified that General Motors bought various adhesives from his firm for attaching trim materials to metal, rubber weather stripping, rubber for windshields and rear lights, felt for sound deadeners. In 1946 it sold two million dollars worth of adhesive to General Motors, and in 1947 three million dollars worth.

### *Automotive Plastics*

In 1930 du Pont marketed a cellulose acetate—Plastacele—and commenced selling some to the Inland Division of General Motors for use in the manufacture of steering [fol. 646] wheels which it made for all automobile companies, including General Motors. In 1937 sales to Inland amounted to \$1,200; in 1938 \$39,000; and in 1939 sales increased to \$157,000, representing about 25% of Inland's requirements—the major supplier being Tennessee Eastman. After 1940 no sales of cellulose acetate were made by du Pont and Inland purchased all of its supply from Tennessee Eastman, which had developed a product called Tenite. Gillie testified that he felt du Pont's product was equal to that of its competitor, and the price was the same. Du Pont made large sales of the product to other customers for uses other than steering wheels.

Du Pont began producing acrylic resin molding powder in 1937 which it sold under the trade name of Lucite. It is a transparent plastic used in the manufacture of reflectors, instrument panels, tail lights and various knobs. Du Pont sells the product to the Inland, Guide Lamp, and A C Spark Plug Divisions. Du Pont's first sale of this material for the manufacture of automobile parts was to Dodge, and it sold no substantial amount of the plastic to General Motors until 1946. Two years after du Pont produced Lucite, Rohm & Haas offered Plexiglas. In 1948 Rohm & Haas supplied more of the requirements of A C Spark Plug Division than du Pont and at the present time du Pont gets a little more than 50% of it. At times du Pont had as much



as 95% of the business. At Guide Lamp, du Pont was able to develop a colorfast red composition and obtained its business, but Rohm & Haas matched it and Guide Lamp began to divide its purchases equally between du Pont and Rohm & Haas.

### *Brake Fluid*

Brake fluid is used in hydraulic brakes which came into usage on automobiles in the early 1920s when Chrysler [fol. 647] adopted them. General Motors commenced to install such brakes in 1934 and Ford in 1936. Both Chrysler and Ford used brake fluid which they themselves mixed. No technical skill is required in the making of brake fluid, it being a mixture of several oils and no hazards are present in the mixing. The characteristics sought in brake fluid are a high boiling point and a low freezing point.

General Motors first used a brake fluid supplied by Wagner Electric Company, but shortly thereafter followed Chrysler and Ford in mixing its own, and continues to do so to date.

The General Motors Division assigned to the brake fluid mixing operation is Delco Products. In 1935 it produced a satisfactory fluid and improved it from time to time. Du Pont in late 1934 offered General Motors a fluid to replace that provided by the Delco Division but did not succeed. Other automobile manufacturing companies used du Pont's propylene glycol fluid called Lockheed 21. In 1939 du Pont developed a new fluid marketed as Lockheed 21-11, but was not able to sell it to any of the General Motors car units.

In late 1938 or early 1939 Delco and Union Carbide developed a fluid called Delco 9 which was more expensive than Lockheed 21. Walker testified the reason for the refusal of General Motors units to purchase the du Pont fluid was an agreement among the car division engineers to buy from Delco and help Delco write off the investment they had made in the equipment. Delco bought the chemical ingredients for the Delco 9 fluid from the Carbide & Carbon Chemicals Corporation, a unit of Union Carbide.

### *Safety Glass*

In 1928, du Pont's Viscoloid Company and Pittsburgh Plate Glass jointly and equally owned Duplate Company [fol. 648] which made safety glass. Duplate supplied the glass and Viscoloid supplied the laminating plastic, or pyralin. The automobile industry was a market for safety glass, but all automobile manufacturers were not then entirely converted to its use. In February 1929 only Cadillac and La Salle were using it, while it was optional equipment at Buick.

In 1929 General Motors was installing experimental equipment for compositing safety glass and expected to build a regular compositing plant at their subsidiary, the National Plate Glass Co. A report in 1929 by the President of the du Pont Viscoloid Company stated:

"... a larger proportion of the safety glass for Cadillac and La Salle is being produced by the Fisher Body Company. The progress which is being made by the General Motors and its subsidiaries in laminating safety glass indicates that the best prospects for the immediate future for Duplate sales depend upon manufacturers other than General Motors." (DP 164).

and the Annual Report for the year 1929 states:

"Competition became more severe during the year. In the latter part of 1929 Libby-Owens Glass Company came into production with strong sales efforts being made to secure business. Fisher Body Company increased production with the result that they were able to supply practically all safety glass required for Cadillac and La Salle, with a consequent loss of this business which had previously been supplied by Duplate." (DP 169).

In January 1931 du Pont sold its interest in Duplate to Pittsburgh Plate Glass, and later that year General Motors disposed of its safety and plate glass business to Libby-Owens-Ford.

[fol. 649] Total sales by Duplate to General Motors and Fisher Body exceeded two million dollars in 1928 and 1929, but as General Motors expanded its purchases, decreased to \$67,000 in 1930 and \$37,000 in 1931.

All of the evidence bearing upon du Pont's efforts to sell these various miscellaneous products to General Motors supports a findings that the latter bought or refused to buy solely in accordance with the dictates of its own purchasing judgment. There is no evidence that General Motors was constrained to favor, or buy, a product solely because it was offered by du Pont. On the other hand, the record discloses numerous instances in which General Motors rejected du Pont's products in favor of those of one of its competitors. The variety of situations and circumstances in which such rejections occurred satisfies the Court that there was no limitation whatsoever upon General Motors' freedom to buy or to refuse to buy from du Pont as it pleased.

#### Sales to General Motors by United States Rubber

The rubber plantations in the Far East were considered the most valuable single asset owned by United States Rubber when the syndicate investment was made, and in 1926 profits from these amounted to six and one-half million dollars, being approximately one-half of United States Rubber's total profits. These plantations supplied less than 25% of United States Rubber's requirements of crude rubber. In 1926 the rubber corporation had the smallest proportion of its total sales in tires—70% of its production being in footwear and mechanical goods. Tire sales accounted for 98% of Fisk's business and 95% of Firestone's business. In addition, both Goodyear and Goodrich had a higher portion of their business in tire sales than did United States Rubber.

[fol. 650] Of total raw inventories which United States Rubber had, 45% were in the tire department. During the correspondence between Sloan and Lamont du Pont concerning the synthetic rubber project, Sloan in 1927 stated:

“As a matter of fact, however, the single item by all odds that we purchase from outside sources and the one that has been most satisfactory from the standpoint of erratic costs out of line with the real economies of the case is the rubber tire.” (GTx 892).

As early as 1925 General Motors had considered buying a rubber tire manufacturing company—the Ajax—and the

Executive Committee of General Motors to whom the matter was submitted concluded it would be a constructive thing for General Motors to acquire an interest in an established tire company. The matter was postponed for further consideration and finally dropped because the profit opportunities did not warrant the investment.

Prices in the crude rubber industry during the period 1923-1932 fluctuated widely from twenty cents in 1924 to over a dollar per pound in 1925, forty cents in 1926 and 1927 and below twenty cents in 1928, falling to ten cents and lower in 1930.

Wilson testified that the problem at the time was how the tire manufacturers who had rubber stock at high prices and could buy rubber cheaper with the decline, could get their customers to purchase tires on the basis of high rubber prices. Another factor leading to the high cost of tires was the fact that contracts were written for short periods of from three to six months. The General Purchasing Committee in 1926 and again in June 1930 voted against a general contract for tires and had been continually reviewing the situation on tires to see if anything could be done about it. A plan was considered for General Motors to manufacture its own requirements or to acquire a small tire plant and get some knowledge of cost as a check on the tire companies prices.

During this period United States Rubber negotiated with Goodyear on a proposal to sell or lease its tire business. Irene du Pont in February 1929 wrote to F. B. Davis that while negotiating for such a lease of the tire business to Goodyear, that United States Rubber should negotiate for a lease of Goodyear's plantations as well; he stated further that it seemed likely that Chrysler or General Motors would acquire their own tire manufacturing facilities which would leave the tire manufacturers in a "very trying position". These negotiations with Goodyear never came to fruition.

In April 1930 at a joint meeting of the General Motors Executive and Operations Committees a discussion was had on whether General Motors should manufacture tires either by buying a small plant or undertaking substantial manufacture. Pratt was designated to investigate both proposals, and he assigned Wilson to make the study.

Wilson made a report on June 3, 1930 stating he had



made a survey of the tire industry, had visited the Kelly-Springfield and United States Rubber plants, and recommended against General Motors going into the tire business since his investigation showed the companies were losing money on both original equipment and replacement sales. His recommendations were accepted.

Wilson then proposed a plan whereby General Motors was to purchase the necessary raw materials—rubber and cotton—and furnish the same to a tire manufacturer who would fabricate them into finished tires, thus eliminating the cost of raw material going into the tire price. He prepared and submitted a plan for investing twenty million dollars in raw materials such as copper, lead, zinc, tin, rubber and cotton. The plan was approved by the Finance Committee of General Motors on September 8, 1930 and the purchase of these commodities was started and continued for several years. Wilson also believed that this plan should be combined with a long term contract with a tire manufacturer who could then plan his production more efficiently, enabling him to produce more and to sell at a lower price.

While getting Sloan's approval on this plan, Wilson learned that Sloan and Litchfield, President of Goodyear, had been classmates at Massachusetts Institute of Technology, and Sloan arranged an appointment. In the Fall of 1930 Wilson discussed the matter of long term fabrication with Goodyear since he thought it was the "best", "biggest"; and "a progressive company", and one of General Motors' principal suppliers. Litchfield was not interested in the fabrication plan.

Goodrich, which was supplying one-half of the tire business of Chevrolet, was approached by Knudsen, who knew its President, Mr. Tew, and Goodrich quoted some prices which were unsatisfactory.

The formula used in requesting submission of prices was

- A—rubber converted into pounds of raw rubber
- B—cotton converted into pounds of raw cotton
- C—all other items of cost

Wilson finally contacted United States Rubber through Emmet Sheehan, its Detroit Sales manager. Sheehan contacted F. B. Davis and L. D. Tompkins, Vice-President of

the Tire Division of United States Rubber, made an appointment with Wilson, and the plan appealed to them. Tompkins testified:

"We evidenced all the interest we possibly could in the matter, and told him very frankly that at least [fol. 653] part of it was not new to us because we had already negotiated contracts with Montgomery Ward and Atlas in which the question of rubber and cotton financing and so forth, had become a part, so we were playing along the same alley with him in connection with his plan. We knew what he was talking about, at least." (5732).

Wilson invited United States Rubber to submit prices and indicated that W. S. Knudsen, head of the Chevrolet Division would have to be satisfied since this division accounted for one-half of General Motors' tire business. Knudsen was delegated to talk price with the rubber corporation. Tompkins said that "we sharpened our pencils more than we had ever done"; costs were carefully calculated; account was taken of the additional increase in operating efficiency if General Motors' volume was obtained; and the prices were then submitted to Knudsen. Both Goodyear and Goodrich were asked and gave prices on the sale of tires if they could buy rubber and cotton at the current market price and of the three companies, the price quoted by United States Rubber was the lowest.

Wilson then made a report to the Operations Committee concerning all of these negotiations with the three companies, the price formula followed and recommended an authorization for 50% of General Motors' requirements to be supplied by United States Rubber. He also attached a schedule comparing the prices submitted. He stated:

"Goodrich brought in figures as above, but added 6% to the total, for profit. United States included their profit in factor 'C'. When prices were compared, it was decided to ask for prices on other General Motors sizes, with the result that we have today a complete list of all, making it possible to compute the tire prices [fol. 654] by simply multiplying Factors 'A' and 'B' with today's market price and adding Factor 'C' to the total.

"Comparison developed that United States Tire & Rubber Company have given us the most favorable terms, and Mr. Pratt has notified them of our willingness to enter into a contract for 1½ years on the above basis, and has at the same time signified our willingness to underwrite the purchase of up to 5,000 tons of rubber @ .08 per lb. this representing about 25% of the Corporation's requirements for one year and an expenditure of \$800,000.

"Immediately when the decision was announced to the trade, Goodyear and Goodrich both made applications for permission to quote on the balance of the Corporation's requirements, or any part of them, at competitive prices.

"It is our opinion that it would not be desirable to close contracts for 100% of the Corporation's tire requirements, but that the remaining open 50% should be left to the Divisions to handle on the best possible basis. We therefore ask authority to conclude the contract for 50% of General Motors tire requirements with United States Tire & Rubber Company." (GTX 1089).

On October 9, 1930 the Operations Policy Committee approved a contract with United States Rubber for 50% of General Motors' requirements.

Purchases from United States Rubber by the General Motors Car Divisions for the years preceding 1928 are not available.

In 1928, 1929 and 1930 Pontiac purchased approximately 18%, 8% and 10%, respectively, of its requirements of [fol. 655] casings from United States Rubber based on an estimate in 1929 of 315,000 cars produced.

In January 1928 the sales manager for United States Rubber wrote to the Oakland Division confirming that it was to receive from 20-25% of the Pontiac business, both domestic and foreign, and 40-50% of Oakland's business, domestic and foreign, for the first six months of 1928. In May 1929 Glancy wrote Davis that United States Rubber was getting 30% of Pontiac business, a percentage larger than any other manufacturer received, and 15% of Oakland's business, which was the same percentage other sup-

pliers received; that although the large percentage for Pontiac had been opposed by the Sales Department, he believed that it was United States Rubber's intention to bring the quality of its goods up to competition and was "happy to take this chance" with United States Rubber.

In 1929 Chevrolet purchased no tires from United States Rubber and in 1930 through the efforts of its sales staff a small volume was procured. General Motors purchases in 1929 decreased from 524,205 units in 1928 to 441,659 and to 465,267 in 1930 before reaching 2,508,241 units in 1931. Oakland-Pontiac purchases declined from 227,652 units in 1928 to 105,882 in 1929, and to 124,005 in 1930.

Both Chrysler and Ford were also purchasing tires from United States Rubber in 1928; Ford purchasing 362,016 units and Chrysler 287,742.

In 1929 General Motors had a car manufacturing subsidiary in Canada—General Motors of Canada, Ltd., and United States Rubber had a Canadian subsidiary—Dominion Rubber Company. Canadian Industries, Ltd., in which du Pont held an interest, held stock in the Dunlop Tire & Rubber Goods Company of Canada. On March 25, 1929 [fol. 656] R. S. McLaughlin, President of General Motors of Canada, wrote to A. B. Purvis, President of Canadian Industries, advising him that du Pont had acquired an interest in United States Rubber and

"they naturally would like to see us do some business with the Dominion Rubber Company." (GTX 1082).

He inquired whether Canadian Industries was still interested in Dunlop. Purvis replied that it was still interested in Dunlop, holding 35% of its common stock, that General Motors' business was vital to Dunlop and would be sorry to see it go to United States Rubber, and that McGowan would appreciate their continued support of Dunlop.

Six months later, Purvis forwarded copies of this correspondence to Lamont du Pont and advised that Dunlop, effective April 18th, 1930, would be entirely supplanted as a tire supplier to General Motors of Canada by Dominion Rubber Company, and asked that McLaughlin of General Motors be relieved of the "evident pressure to which Mr. McLaughlin refers and which Mr. Davis would very naturally bring to bear upon them."



Lamont du Pont wrote to F. B. Davis:

"Now it is, of course, all right for United States Rubber Company to 'go after' the General Motors of Canada business through the Dominion Rubber Company, but I do not believe it is either fair or proper, under the circumstances, to use as an argument the interests of the U. S. Rubber stockholders or their connection with General Motors. Could you not get the business on the basis of quality, services and price?

"I have told Mr. Purvis that as far as I am personally concerned, and I think I represent the feelings of [fol. 657] the other individuals here, that I cannot subscribe to the idea of using our interests in both General Motors and United States Rubber as a means of getting business." (GTX 1085).

Davis replied stating that this account was secured on

"the basis of quality, service and price, and we not only do not use any du Pont or General Motors connections as arguments for getting business, but find that many times we are handicapped because of rumors of the tie between the three companies, and we take great pains in explaining the facts—just as we have done to Mr. McLaughlin." (GTX 1086).

He continued that Mr. McLaughlin had advised Eden, President of Dominion Rubber that

"he would be very glad to give him a portion of his business but that his hands were tied as he had instructions from Mr. John L. Pratt, of the General Motors Company, requiring him to favor Dunlop." (GTX 1086).

and that if this could be rescinded he would be able to give Dominion some of his tire business; that Tompkins had immediately contacted Mr. Stettinius of Mr. Pratt's office and

"Mr. Pratt arranged to have the instructions whatever they might have been, rescinded." (GTX 1086).

whereupon Dominion actively opened negotiations with General Motors of Canada.

Tompkins testified that when he called on Mr. Stettinius in 1929 he was advised no such instructions had in fact been issued, and Pratt testified he had never given any instructions that General Motors of Canada was to use Dunlop. For the years 1928 to 1930, inclusive, Goodyear was the principal supplier of tires to General Motors of Canada. Dunlop's business with General Motors of Canada shrank from 23% in 1929 to 4.6% in 1930, whereas Goodyear's increased from 70.83% to 84.34% in the same period. The 1931 contract with United States Rubber provided for 50% of General Motors of Canada's requirements.

In 1930 Davis contacted General Robert E. Wood, President of Sears, Roebuck & Co., with the view, shared by Tompkins, that large retail outlets would result in volume business for the tire department. He found that Sears had an arrangement with Goodrich and that Montgomery Ward was buying its tires from several small suppliers but might be interested in dealing with United States Rubber. Following a conference with Mr. Everett, Ward's President, a contract was signed covering 90% of Ward's requirements of its own brand of tires. In the same year United States Rubber succeeded in obtaining a five year contract with Atlas for 50% of that company's requirements of "Atlas" brand tires to be sold through Standard Oil-Service stations. In 1937 United States Rubber's share of Atlas business was increased to 100%. Tompkins stated the procurement of this business was of vital importance to the company and "was the turning point" in the future success of the tire division.

Tompkins and Davis testified that throughout the 1930s Emmet Sheehan, the Rubber Company's sales representative contacted all automobile manufacturers, including Ford, Chrysler, and the General Motors Divisions, and succeeded in getting orders from Ford and Chrysler until both turned to Firestone and Goodyear respectively as their principal suppliers.

[fol. 659] The 1931 tire contract was for a term of 21 months containing an automatic renewal clause and was signed by L. D. Tompkins and Charles E. Wilson. It provided that (1) General Motors would buy at least 50% of its original equipment tires, including spare tires, for cars produced and sold in the United States and Canada, (2) the

prices to be determined by the A, B, C formula in Wilson's plan—that is the number of pounds of rubber in a set of four tires multiplied by the price per pound of rubber specified by General Motors, a similar computation for the cotton used, and all other costs, including profit, the total of these three items being the price per set of four tires, (3) General Motors designated United States Rubber as its purchasing agent to buy crude rubber, General Motors to inform the rubber company the quantity to be purchased and the price to be paid. It would then resell to the rubber company the rubber requirements for each succeeding month for the manufacture of tires. In such resale, General Motors was permitted to charge a mark-up of not to exceed  $12\frac{1}{2}\%$  over the original cost of the material. (4) United States Rubber was to bill the General Motors divisions for the tires supplied but was to do the billing at billing prices agreed upon with General Motors. These billing prices were on regular shipments to the divisions and the level of prices which the various car division buyers had been able to establish in the purchase of tires beyond the 50% covered by the contract. After the divisions made payments on the basis of the billed price, United States Rubber was to make an adjustment between the billing price and the lower prices fixed by the formula.

On February 25, 1931 a supplemental letter agreement was executed wherein Oldsmobile, Oakland-Pontiac and GMC Truck Divisions agreed to purchase all their remaining requirements from United States Rubber, and Cadillac [fol. 660] LaSalle agreed to purchase 15% additional. Buick and Chevrolet bought their remaining 50% elsewhere.

In July 1931 when the price of rubber was around six cents per pound, Tompkins and Wilson signed a modification of the  $12\frac{1}{2}\%$  mark-up providing that General Motors could resell up to ten cents a pound regardless of the  $12\frac{1}{2}\%$  limitation.

The provision regarding the billing arrangement was included so that the basic or ultimate price resulting from the contract could be kept "as confidential as possible." Tompkins testified that both Goodyear, which sold to Chrysler in substantial volume, and Firestone, which supplied Ford, also kept their prices secret, and that the same practice was followed by United States Rubber and Goodyear

in their contracts with Montgomery Ward and Sears, respectively.

An addendum to the 1931 contract provided that tires used by General Motors as spares would be priced at a specified amount above running tires. No extra price was to be charged for second spares or spares on exported cars. The Government concedes the allegations contained in ¶128 of the Amended Complaint relating to the price of spare tires is erroneous.

United States Rubber continued to sell tires to General Motors pursuant to contracts until 1942. After the original contract, new contracts were signed in 1932, 1933 and 1936. The 1932 contract adhered to the ABC pricing formula, the percentage of General Motors requirements, and also provided for the extra percentages reflected in the agreement of 1931. During the 1932 contract a patent license option agreement was made, providing that if General Motors desired to manufacture its own tires it would [fol. 661] be granted a non-exclusive license on United States Rubber's patents and applications relating to tire manufacturing processes and "know-how," providing General Motors continued to purchase 50% of its tire requirements. The license was never used by General Motors.

The 1933 contract executed May 22, 1933, effective January 1934, replaced the ABC price formula with a provision that prices to be charged General Motors should be no greater than the lowest price charged by the four largest manufacturers of tires—Goodyear, Firestone, Goodrich and United States Rubber. This change was made because of the increased stability of the rubber and cotton markets and the higher level of prices for those commodities.

In a separate concurrent agreement, United States Rubber agreed to give General Motors the following discounts on its annual volume of sales:

\$10,000,000	\$ 825,000
11,000,000	940,000
12,000,000	1,040,000
13,000,000	1,200,000
14,000,000	1,350,000
15,000,000 and up.	10% (GTX 1141)



It was also provided that United States Rubber should not be required to furnish tires at prices which, after the discount, would not return its costs. The current billing price before the year end discount was measured by cost plus 10%.

The dollar sales figures for 1934 to General Motors totaled over sixteen million and General Motors was entitled to receive the maximum discount. United States Rubber and General Motors agreed on December 17, 1934 to fix the discount for 1934 at \$500,000 or 2.8% on its 1934 sales.

[fol. 662] The 1933 contract was supplemented by an extra percentage letter agreement and for the first time United States Rubber received an additional 20% of Buick's business, Cadillac-LaSalle was increased to 20%, Pontiac and Oldsmobile declined to 30% and 40% respectively.

In 1934 the price and discount arrangements were modified and United States Rubber agreed that in the event General Motors purchased fifteen million or over and if the rubber company's profit exceeded 10% that General Motors would receive one-half of the amount of such profit exceeding 10% up to and including "an excess of 5%" which would make it possible for General Motors to receive a maximum discount of 10% on purchases of fifteen million or more. The discount paid after some negotiations on total purchases of \$25,114,888 was \$1,644,516.87, or 4% of the 1935 sales.

On August 1, 1936 another contract containing an automatic renewal clause was executed which lasted until May 8, 1942 when the United States entered World War II. The maximum discount provided was 3½% on sales of twenty-one million dollars. After the war General Motors resumed its purchases from United States Rubber on a non-contractual basis. Purchasing was done through orders and the percentages of business to be supplied the General Motors car divisions from March 1, 1949 to August 31, 1949 were: 64% of Buick, Oldsmobile, Pontiac, Cadillac and GMC Truck passenger tires, 50% Chevrolet passenger tires, 55% truck tires for Chevrolet and GMC Truck. The prices fixed by this order were subject to being lowered if General Motors bought from other suppliers at a lower price or if United States Rubber sold at a lower price elsewhere.

For the years 1934 through 1940, United States Rubber's profit attributable to sales of original equipment to General Motors was \$9,737,000 and its net income was \$45,764,000. [fol. 663] Wilson testified that United States Rubber's share of General Motors' business during the period 1931 to 1936 was about 55%; 1936-1942 it was about 60%-70%; and the years following the war 1946-1948 it was 55%-58% of General Motors needs. Throughout the years United States Rubber's sales to General Motors of tires for original equipment constituted a high percentage of its total sales of original equipment. General Motors also made purchases of tires from Goodrich and Firestone in the years 1946, 1947 and 1948 averaging approximately 20-23%. The Company's private brand unit sales have been greater in most years than its total original equipment sales.

Throughout the years Irenee du Pont viewed the tire business of United States Rubber as its most precarious branch and expressed his desire that this phase of its operations be dropped. He urged Davis in 1934 to sell this branch of its business, and testified that his views today are the same as those expressed at that time. Davis confirmed the fact that Irenee du Pont had made repeated suggestions for the rubber company to dispose of its tire business.

The Court finds that the evidence with respect to the original negotiation of the tire contract and United States Rubber's subsequent sales of tires and tubes to General Motors establishes that General Motors initiated discussions leading to that contract, entered into it, and has ever since continued to buy a substantial portion of its tires and tubes from United States Rubber for its own good business reasons—and for no other reason. The Government's contentions to the contrary are supported only by suspicion and conjecture.

#### *Other Products*

The Government concedes that du Pont sales to United [fol. 664] States Rubber are far greater than the purchases du Pont makes from United States Rubber.

*Paint.* On January 18, 1932 William Richter wrote to William Zintle, also a du Pont employee, and attached a letter from F. B. Davis to Lamot du Pont regarding a

Pratt and Lambert can of paint which Lammot du Pont had seen being used in painting a building at United States Rubber. Davis assured Lammot du Pont the can contained du Pont paint because the contractor had been told "he could not have the contract unless he used du Pont paints" and stated that United States Rubber had a genuine interest in using and recommending du Pont products wherever possible. United States Rubber since 1929 has purchased more paint and maintenance paint from du Pont's competitors than from du Pont. The percentages of all paint purchased from du Pont in 1946, 1947 and 1948 were 31.1%, 34.5% and 25.3%.

*Rayon.* Rayon, first introduced to the rubber industry in 1936, was for a time produced only by du Pont. From 1936 to 1941 du Pont supplied almost 100% of United States Rubber's requirements of high tenacity rayon. During the war years the percentage of the rubber company's requirements declined since rayon was in short supply and subject to Government allocation orders. United States Rubber approached du Pont requesting a larger percentage of their total production or to increase their facilities for production, but du Pont refused to do either. The percentage of United States Rubber's requirements of rayon purchased from du Pont which was 100% in 1936 declined to 37.7% in 1946, 33% in 1947 and 27.3% in 1948. In 1946 and 1947 United States Rubber purchased more rayon from one du Pont competitor than it did from du Pont, and in 1948 it purchased more rayon from each of two du Pont competitors than from du Pont. United States [fol. 665] Rubber purchases of rayon constituted two-thirds of its total purchases from du Pont during 1946-1948. In the years 1942-1948 du Pont sold more high tenacity rayon to Goodyear Tire & Rubber than it did to United States Rubber.

*Neoprene.* Neoprene is a synthetic rubber manufactured only by du Pont. Tisdale testified that United States Rubber purchased neoprene from du Pont during and shortly after World War II, despite neoprene's odor and heaviness, only because natural rubber latex was unavailable. When natural rubber latex was again available, United States Rubber returned to its use. GRS and buytl are other synthetic rubbers and are cheaper than neoprene. Dry neo-

prene and other types of dry rubber are purchased by United States Rubber and are used to make products other than Lastex thread. Eliminating the abnormal purchase of neoprene in the making of lastex during the years natural latex was unavailable, United States Rubber obtained from du Pont only 11% of its total requirements of neoprene and competitive rubbers in 1948.

Dr. Tuley testified that the only significant test of price of rubber products was the relationship of price to the ultimate cost of the article to be produced. In addition, in making the table of competitive rubber products, United States Rubber did not use neoprene in the manufacture of some products, although its competitors did. He stated that only rubber which was used to make products directly competitive with those in which other companies used neoprene was included in USR 217.

### *Rubber Chemicals*

Naugantuck Chemical Division of United States Rubber supplies its parent company with rubber chemicals as does [fol. 666] du Pont and other competitors of du Pont. Tisdale testified that this division of the rubber company is a self-sufficient operation and has to compete with outsiders for United States Rubber's business and maintains a sales and technical staff. United States Rubber pays no lower price to Naugantuck than to any other customer.

*Wetting agents.* These products constitute a small portion of United States Rubber purchases. Tisdale testified that these and other items were included in the survey made by Dr. Tuley because in the judgment of technical men they were competitive in use although du Pont does not make the same type. Dr. Tuley stated that more competitive products were studied than were included and as to those included "we established in each case that our use of them matched some commercial use of the du Pont product."

*Terprene.* United States Rubber purchases Terprene products, a small item in its total purchases, from naval stores industry. Du Pont does not manufacture this product. Exhibit USR 217 includes an item in that class manufactured by du Pont which has the same character as that manufactured in naval stores and turpentine industries and is sold in competition with those industries.



*Diphenylamine.* Du Pont is the only commercial producer of diphenylamine and United States Rubber purchases this product exclusively from du Pont. The Naugatuck Division of United States Rubber uses this material for a patented antioxidant, BLE, which it sells in competition with du Pont's product called the "Neozones". Next to rayon, this product constituted the largest dollar volume purchases made by United States Rubber from du Pont, being about 10% of its total purchases from 1946-1948.

[fol. 667] *Nylon.*

Nylon is patented and manufactured exclusively by du Pont. United States Rubber does not use the product in its truck or passenger tires for civilian use although its competitors do. In 1946 du Pont's total sales of nylon to United States Rubber were \$617,000 and two years later increased to \$895,000. In 1946, 1947 and 1948 Goodyear, Goodrich and Firestone purchased more nylon from du Pont than did United States Rubber.

The foregoing four products—rayon, diphenylamine, neoprene and nylon accounted for a great preponderance of United States Rubber's total purchases from du Pont. In 1948 these products accounted for over ten million dollars of the total purchases made by United States Rubber equalling \$11,500,000, or 87%. Of all products required by United States Rubber and which were manufactured by du Pont, United States Rubber's purchases from du Pont constituted 36.5% in 1946, 31.9% in 1947 and 28.8% in 1948.

In the compilation of Exhibits USR 217 and GTX 1332 Dr. Tuley testified that a product purchased from a competitor of du Pont was not regarded as competitive unless it met certain tests, such as:

"First, the composition of the material, its price in relation to related products; its availability; quality; du Pont's position in regard to supply and their ability to deliver in the quantities required and at the time we required them; and particularly the critical test was whether there was an established commercial use for the du Pont product identical with our use of the product we had purchased from some other supplier." (Tuley 6661-2).

[fol. 668] In 1932 Lamot du Pont sent Davis a table of the purchases by du Pont from United States Rubber and its competitors, showing purchases from United States Rubber of \$361,000 in 1930 and \$204,000 in 1931. He said:

"the purchases we make from United States Rubber Company are far larger than from any other rubber company." (GTX 1059)).

In 1935 he again wrote regarding purchase figures for 1933 and 1934 and commented that the 1934 purchases were less than those for 1933 from United States Rubber, whereas the Rubber Company's purchases for 1934 from du Pont were higher than in 1933 stating he thought that was due to the fact that the rubber company bought products which were raw materials, whereas

"du Pont buys from U. S. Rubber substantially nothing, except products that are used as supply or small items in construction of machinery and equipment." (GTX 1060).

On January 19, 1938 E. R. Bridgwater of du Pont's Research wrote Ackart of du Pont's Engineering Department that local buyers at du Pont's various plants had told salesmen for rubber manufacturers other than United States Rubber that

"they are unable to give them any business because they are instructed to place business with U. S. Rubber whenever possible." (GTX 1061).

He stated that the managers of the purchasing departments had been circularized and told to refrain from giving the impression that United States Rubber had any better chance of getting du Pont's business than any other rubber manufacturers and concluded:

[fol. 669] "I do think it would be very helpful to us if you would ask all members of your department who contact rubber salesmen or engineers to so conduct their conversations as to convince the salesman that he has as good a chance of getting our business as anyone else and that our rubber goods are bought solely on the basis of price, quality and delivery. I realize, of

course, that we do show preference to U.S. Rubber in certain instances but I think that's no one's business but ours, and it is, of course, a fact that we buy much less than half of our rubber goods from U.S.

"Perhaps Mr. Hawkins would like to again remind all buyers on the Company that our rubber chemicals business need not suffer by reason of the fact that we buy much more from U.S. Rubber than from any other rubber manufacturer so long as they take pains to prevent any salesmen from getting the idea that it is our policy to give U.S. Rubber all the breaks and reporting that to his main office as an alibi for not getting du Pont business." (GTX 1061).

On February 26, 1947 L. D. Reed, Director of Trade Analysis Section of du Pont, in answer to Lamont du Pont's inquiry on trade relations with United States Rubber stated:

"You will notice from this summary sheet that the purchase/sales relationship with United States Rubber would still be way out of line if we had purchased our entire requirements of industrial rubber commodities from them alone, which amounted to \$1,264,348. In view of the other large sales which are made to competitors of United States Rubber, some recognition must be taken of this business, and the result is that rather insignificant purchases are made from the re-[fol. 670] mainder of the rubber industries listed, with the possible exception of Goodrich." (GTX 1062).

He explained that Goodrich sold a chemical which the Rubber Company did not make and made no similar product. He stated:

"Goodyear Tire and Rubber are generally competitive with United States Rubber so far as rubber commodities are concerned, but they have not been successful in securing much of the business we have to give the rubber trade in rubber lined tanks. Just recently, they visited our office feeling that they were not being treated fairly in this respect, but were finally convinced that they had not been successful bidders and would

still have to sharpen their pencils. The other rubber companies do not engage in this type of endeavor." (GTX 1062).

The evidence relating to purchases and sales between United States Rubber and du Pont was, for the most part, introduced by the defendants. The Government has failed to show the existence of any agreement or understanding that each of these companies would prefer the products of the other and would decline to deal with competitors of the other. The Court finds that, in fact, each company has enjoyed freedom to buy as it pleased.

### The Issue of Conspiracy

At the outset of this memorandum the Court stated that the issue of conspiracy permeated the entire case, underlying both the trade and the control aspects thereof. This is so because conspiracy to restrain trade can only be determined after consideration of the entire record of evidence. [fol. 671] The Court finds, on the basis of all the evidence of record, that the Government has failed to establish the existence of any such conspiracy.

The record discloses a number of instances in which various of the defendants have engaged in concerted action of one kind or another. For example, the syndicates that were formed to purchase du Pont stock in 1915, and United States Rubber stock in 1927; and the collaboration on the development of "Duco" and TEL. But concerted action does not necessarily constitute conspiracy or proof of conspiracy. It does so only if the object of the action is to restrain trade or commerce. The Court finds that none of the actions taken in concert had as their objective, or necessary consequence, the imposition of any limitation upon the free flow of trade and commerce. A number of such actions, such as the formation of Christiana in 1915 and Delaware in 1924, were undertaken for purely personal reasons of the participants, largely financial and unrelated to restraint of trade and commerce or the monopolization thereof. The record as a whole does not support a finding that any of them, or all of them in the aggregate, did restrain or intended to, or had the effect of, restraining or monopolizing trade and commerce. The Court bases this conclusion on both documentary and testimonial evidence of record and



upon the more detailed findings made in the earlier parts of this memorandum.

### Conclusion

The Amended Complaint charges violations of both the Sherman and the Clayton Acts. Those Acts broadly condemn conspiracies, contracts, agreements, understandings, and acquisitions that result in monopoly or unreasonable restraints of trade. If the facts established the existence of a conspiracy or agreement to restrain or to monopolize [fol. 672] trade, or if the facts showed that a restraint of trade or monopolization had occurred, it would be necessary to determine as a matter of law whether the situation disclosed was condemned by the statutes. However, there is no need in this case to consider that question or to discuss legal principles or precedents because there has been no conspiracy to restrain or to monopolize trade and no restriction or monopolization of the market.

The essence of the conspiracy and restraint which the Government finally charged and sought to prove in this case is the alleged limitation upon General Motors' ability to deal as it pleased with competitors of du Pont and United States Rubber. In various ways and subject to various limitations, the Government has alleged that General Motors either itself agreed to such a limitation, or was forced to it by du Pont. But the evidence of record fails to support the Government's charges. In preceding portions of this opinion there has been shown, by detailed analysis of the evidence, the extent to which General Motors enjoyed complete freedom of action with respect to specific products manufactured by du Pont and United States Rubber, and with respect to its discoveries and developments of new products. When read as a whole the record supports a finding, and the Court so finds, that there has not been, nor is there at present, a conspiracy to restrain or to monopolize trade and no limitation or restraint upon General Motors' freedom to deal freely and fully with competitors of du Pont and United States Rubber, no limitation or restraint upon the freedom of General Motors to deal with its chemical discoveries, no restraint or monopolization of the General Motors market, and no restraint or monopolization of the trade and commerce between du Pont and United States Rubber. The findings that there has been

neither a conspiracy to restrain or to monopolize trade nor [fols. 673-674] a restraint or monopolization of trade make it unnecessary to consider the questions of law that would otherwise arise with respect to the Wilmington Trust Co. and the so-called "beneficiary" defendants, including the infants for whom guardians ~~ad litem~~ have been appointed.

It may be that a violation of the Clayton Act can be made out in the absence of an actual restraint of trade where it is established that there is a reasonable probability that a condemned restraint will result from an acquisition of stock. The acquisition challenged by the Government—du Pont's investment in General Motors—took place over thirty years ago. In those many intervening years the record discloses that no restraint of trade has resulted. Accordingly, the Court is of the opinion that there is not, nor has there been, any basis for a finding that there is or has been any reasonable probability of such a restraint within the meaning of the Clayton Act.

The Government has failed to prove conspiracy, monopolization, a restraint of trade, or any reasonable probability of a restraint, and for those reasons the Amended Complaint should be dismissed.

Walter J. LaBuy, Judge of the United States District Court.

[fols. 675-676] UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

Civil Action No. 49 C-1071

UNITED STATES OF AMERICA, PLAINTIFF

v.

E. I. DU PONT DE NEMOURS AND COMPANY, GENERAL MOTORS CORPORATION, UNITED STATES RUBBER COMPANY, CHRISTIANA SECURITIES COMPANY, DELAWARE REALTY & INVESTMENT CORPORATION, PIERRE S. DU PONT, LAMMOT DU PONT, IRENEE DU PONT, ET AL., DEFENDANTS

FINAL JUDGMENT—December 9, 1954

This cause coming on for final disposition upon the pleadings and evidence, both oral and documentary, and the Court having heard the arguments, and considered the

briefs of counsel and having made and filed herein its memorandum of opinion on to wit December 3, 1954,

It is hereby, ordered, adjudged and decreed, that

1. Said memorandum of opinion be and the same hereby is adopted as the Court's findings of fact and conclusions of law herein, and said memorandum of opinion be and the same hereby is made a part of this judgment and decree by reference as such findings of fact and conclusions of law.

2. The amended complaint herein and the above entitled cause be and the same hereby are dismissed for want of equity.

3. Plaintiff take nothing by its suit and defendants and each of them go hence without day.

Dated December 9, 1954.

Enter:

Walter J. La Buy, Judge of the United States District Court.

[fol. 677] IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

UNITED STATES OF AMERICA, PLAINTIFF

v.

E. I. DU PONT DE NEMOURS AND COMPANY, ET AL., DEFENDANTS

NOTICE OF APPEAL TO THE SUPREME COURT OF THE UNITED  
STATES—Filed February 4, 1955

I. Notice is hereby given that the United States of America, the plaintiff above named, hereby appeals to the Supreme Court of the United States from the final judgment dismissing this action and the amended complaint for want of equity, entered in this action on December 9, 1954.

This appeal is taken pursuant to Section 2 of the Expediting Act of February 11, 1903, 32 Stat. 823, 15 U.S.C. 29, as amended by Section 17 of the Act of June 25, 1948, 62 Stat. 869.

II. The clerk will please prepare a transcript of the record in this cause, for transmission to the Clerk of the

Supreme Court of the United States, and include in said transcript the following:

1. All docket entries.
2. Complaint filed June 30, 1949.
3. Answer of Christiana Securities Company, Delaware Realty & Investment Corporation, Pierre S. du Pont, Lam-mot du Pont, and Irene du Pont filed April 26, 1950.
4. Answer of E. I. du Pont de Nemours and Company filed April 26, 1950.
5. Plaintiff's More Definite Statement under Rule 12(e), filed April 27, 1950.
6. Answer of General Motors Corporation filed April 16, 1951.
- [fol. 678] 7. Plaintiff's motion to amend the complaint filed July 3, 1952.
8. Order granting plaintiff leave to amend the complaint entered July 28, 1952.
9. Answer of E. I. du Pont de Nemours and Company to amended complaint filed September 15, 1952.
10. Answer of Christiana Securities Company, Delaware Realty & Investment Corporation, Pierre S. du Pont and Irene du Pont to amended complaint filed September 15, 1952.
11. Pre-trial order entered January 5, 1953.
12. Plaintiff's motion to amend the complaint and proposed amendment filed January 5, 1953.
13. Order granting plaintiff leave to file amended complaint entered January 16, 1953.
14. Suggestion of death of Lam-mot du Pont filed January 16, 1953.
15. Order dismissing the complaint, with prejudice, as to certain defendants entered January 16, 1953.
16. Amended complaint (printed copy) filed January 28, 1953.
17. Answer of E. I. du Pont de Nemours and Company to amended complaint filed January 26, 1953.
18. Answer of Christiana Securities Company, Delaware Realty & Investment Corporation, Pierre S. du Pont and Irene du Pont to amended complaint filed January 26, 1953.
19. Order that answer of General Motors Corporation



filed April 16, 1951 stand as its answer to the amended complaint entered January 28, 1953.

20. Order dismissing complaint, without prejudice, as to certain defendants entered February 16, 1953.

21. Post-trial stipulation filed August 7, 1953.

22. Memorandum opinion regarding admissibility of certain documents filed November 16, 1954.

23. All exhibits listed in Schedule A attached to and made a part of this notice of appeal.

24. All pages of the printed transcript of the trial listed in Schedule B attached to and made a part of this notice of appeal.

25. Opinion holding that amended complaint should be dismissed filed December 3, 1954.

26. Final judgment dismissing the action and the amended complaint entered December 9, 1954.

27. This notice of appeal.

[fol. 679] III. The following questions are presented by this appeal:

1. Whether the district court erred in failing to find and to conclude:

(a) That E. I. du Pont de Nemours and Company (du Pont), by its acquisition in 1918 of 23% of the outstanding capital stock of General Motors Corporation (General Motors) and its continuing ownership of at least this percentage of General Motors' outstanding stock, and by the ensuing permeation of the top echelon of General Motors' management by du Pont officers and directors and other persons long affiliated with it, has had power to control, and effective working control of, General Motors throughout the period covered by the Government's complaint.

(b) That one of the purposes of du Pont in acquiring and retaining such stock interest in General Motors was to obtain for du Pont preference over its competitors in the sale of products to General Motors and in the development, production, and sale of commercially valuable chemical products based on discoveries made by General Motors and covered by patents held by it.

(c) That du Pont's stock interest in General Motors and the active participation of du Pont representatives in Gen-

eral Motors' management tended to give and gave du Pont a preference over its competitors in the sale of products to General Motors and in the development, production, and sale of commercially valuable chemical products discovered by General Motors, with resulting restraint of the trade of du Pont's competitors.

2. Whether the district court erred insofar as it made findings and reached conclusions inconsistent with 1(a), 1(b), and 1(c) above.

3. Whether, under the circumstances set forth in question 1, du Pont and General Motors constitute a combination in restraint of interstate trade in violation of Section 1 of the Sherman Act, and a combination to monopolize a part of such trade in violation of Section 2 of that Act.

[fol. 680] 4. Whether the effect of du Pont's acquisition and retention of General Motors stock may be to restrain interstate trade in any section of the country, or to tend to create a monopoly of any line of interstate commerce, in violation of Section 7 of the Clayton Act.

5. Whether the United States is entitled to relief which, in addition to appropriate injunctive provisions, would require du Pont to divest itself of its General Motors stock, and would require Christiana Securities Company and Delaware Realty & Investment Corporation (if du Pont should be permitted to divest through a distribution of General Motors stock to du Pont stockholders) to dispose of all General Motors stock received as a result of such distribution.

Stanley N. Barnes; Assistant Attorney General.  
Victor H. Kramer, Charles H. Weston, Special  
Assistants to the Attorney General. Address:  
Department of Justice, Washington 25, D. C.

## SCHEDULE A

[fol. 681]

## EXHIBITS

GTX 67-68	GTX 601-602	GTX 1236-1238
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\* With separate correction sheet.

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## SCHEDULE B

## TRANSCRIPT

The following pages of the printed transcript (all page references being inclusive):

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758	1105-1106
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## SCHEDULE B (Continued)

## TRANSCRIPT (Continued)

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1594-1595	4401-4403
1597-1598	4476
1637	4500-4521
1687-1690	4545-4546
1697	4551-4552
1700-1704	4575
1706	4615-4624
1709-1746	4706
1832-1839	4709
1862-1864	4741-4746
1868-1869	4786
1871-1880	4797
1890-1891	4799
1894-1898	4817-4823
1908	4829-4834
1972	4840-4842
1974-1977	4852-4856
1981-1983	4861-4897
1995	4905-4920
2018	4947-4948
2046-2047	4958-4964
2060	4983
2082	4986-4991
2174	4997-4998
2189-2190	5004-5013
2193-2195	5017-5019
2204-2207	5024-5025
2212-2225	5029-5034
2229-2234	5041-5051

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## SCHEDULE B (Continued)

## TRANSCRIPT (Continued)

5059-5153	6996
5157	7013-7029
6296	7034-7038
6308-6311	7046
6858-6862	7050
6867-6877	7060-7063
6889	7075
6892-6910	7090-7105
6913-6935	7110
6940-6958	7115-7119
6970-6975	7125-7129
6980-6984	7146-7148

[fols. 685-739] PROOF OF SERVICE (omitted in Printing)

[fol. 740] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 741] SUPREME COURT OF THE UNITED STATES

[Title omitted]

ORDER NOTING PROBABLE JURISDICTION—October 10, 1955

Appeal from the United States District Court for the Northern District of Illinois.

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

October 10, 1955

Mr. Justice Clark and Mr. Justice Harlan took no part in the consideration or decision of this question.